

**LOK SABHA DEBATES**  
**ELEVENTH SERIES (Vol. IV.No. 13)**  
**JULY, 26, 1996**  
**SECOND SESSION**



**ELEVENTH LOK SABHA**

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

**Corrigenda to Lok Sabha Debates**  
**(English Version)**

Friday, July 26, 1996/Sravana 4, 1918(Saka)

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101,102 (from below)	LOK SHABHA	LOK SABHA
121/13 (from below)	DR. RAMAKRISHNA	DR.RAMKRISHNA KUSMARIA
220/28	convervation	Conservation
224/35	C.A.A.G	C.A.G
231/6	Congree Members	Congress Members
232/28	there corpses	their corpses
251/26,31,36	Nacrotics	narcotics

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# LOK SABHA

## LOK SABHA

Friday, July 26, 1996/Sravana 4, 1918 (Saka)

(The Lok Sabha met at Two Minutes past

Eleven of the Clock)

[MR. DEPUTY SPEAKER in the Chair]

## ORAL ANSWERS TO QUESTIONS

[Translation]

### Foreign Debt

\*241. SHRI DADA BABURAO PARANJPE  
SHRI RAJESH RANJAN ALIAS PAPPU YADAV:

Will the Minister of FINANCE be pleased to state :

(a) the loans received by the Government from various countries as on March 31, 1996, country-wise;

(b) the repayment of loans and payment of interest made as on March 31, 1996, country-wise;

(c) whether the loans received from some countries are lying unutilised;

(d) if so, the details thereof during each of the last three years, State-wise and project-wise;

(e) the amount as commitment charges paid by the Union Government thereon; and

(f) the action taken by the Government for the non-utilisation of loans by the concerned States?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (f). A statement is laid on the Table of the House.

### STATEMENT

(a) and (b). Information is given in the Annexure-I.

(c) Yes, Sir. The unutilised amount of loans does not represent the backlog. It only indicates the total amount that can be drawn over a period of time and is dependent on the time profile of various projects

(d) The details regarding loans committed but unutilised project-wise upto 1994-95 is given in the External Assistance Brochure 1994-95 published by Ministry of Finance. A copy of the Brochure is available in the Library of the House. Information regarding 1995-96 is given in the Annexure-II. Information regarding unutilised amount State-wise is given in Annexure-III

(e) The amount of commitment charges paid on undisbursed loan was Rs. 69.70 crores, 59.63 crores and 58.94 crores during 1993-94, 1994-95 and 1995-96 respectively

(f) The Government has taken several steps to ensure better utilisation of foreign aid, such as release of 100% as ACA to State Governments in all sectors, release of 25% of the annual expenditure as advance ACA to State Governments, disintermediation of aid flow to Central Public Sector Undertakings to overcome the delay in budgetary process, cancellation of restructuring of projects where necessary, intensified monitoring of projects and setting up of a Project Monitoring Unit in Ministry of Finance as well as appointment of nodal officers.

### ANNEXURE-I

Total Receipt, Repayment and Payment of Interest upto 31st March, 1996

Donor Currency in Mill

Sl. No	Name of the Country/ Institution	Currency	Receipt	Repayments	Interest
1	2	3	4	5	6
<b>MULTILATERAL</b>					
1	A.D.B.	US \$	1607 580	76 607	332 849
2	I.B.R.D.	US \$	11459 923	4705 866	6093 897
3	I.D.A.	US \$	8157 069	1368 460	1058 503
4	I.D.A.	SDR	7246 754	135 619	385 594
5	I.F.A.D.	SDR	163 769	18 567	14 398
6	O P E C	US \$	172 429	120 795	13 368
<b>BILATERAL</b>					
7.	Abu Dhabi	UAE Dirhan	68.000	67.999	26.402

1	2	3	4	5	6
8.	Austria	Austrian Schilling	1672.826	1072.312	488.540
9.	Belgium	Belgium Franc	4958.446	2183.750	592.778
10.	Canada	Canadian Dollar	924.846	357.286	70.461
11.	Rep. of Czech & Slovak	Indian Rupees	1569.861	1183.935	252.447
12.	Denmark	Denish Kroner	1148.753	286.460	10.817
	Denmark	US \$	0.000	0.000	0.071
13.	EEC (SAC)	UK Pound	30.332	1.887	2.693
14.	Germany	Deutsche Mark	11242.881	5741.884	2973.322
15.	France	French Franc	10842.179	4920.486	4100.434
16.	IMF Trust Fund	SDR	529.009	529.009	9.331
17.	Iran	US \$	496.944	496.944	196.327
18.	Iran	SDR	438.539	438.539	66.131
19.	Italy	Deutsche Mark	144.200	0.000	14.700
20.	Italy	US \$	161.187	38.756	20.940
21.	Italy	Italian Lira	33125.000	33125.000	9675.779
22.	Poland	Indian Rupees	366.355	366.355	65.665
23.	Qatar	UK Pound	7.158	7.158	0.000
24.	Japan	Japanese Yen	1064723.064	295276.397	324425.334
25.	Kuwait Fund	Kuwaiti Dinar	78.981	45.303	28.934
26.	Netherlands	Dutch Guilder	2555.347	1023.833	767.371
28.	Saudi Fund	Saudi Riyal	581.830	465.688	20.077
30.	Sweden	Swedish Kroner	1093.642	0.000	55.695
31.	Sweden	S Franc	157.000	0.000	31.668
32.	Sweden	US \$	0.000	0.000	0.083
33.	Yugoslavia	Indian Rupees	267.008	267.008	40.300
34.	Switzerland	Swiss Franc	283.888	211.544	124.280
35.	UAE	US \$	70.000	70.000	20.734
36.	UK	UK Pound	744.086	708.987	166.073
37.	USA	US \$	5063.630	3115.189	1916.374
38.	USSR	Indian Rupees	28402.024	3903.704	967.781
39.	Australia	US \$	11.131	0.000	0.218
40.	Hungary	Indian Rupees	122.647	122.647	21.519
41.	Iraq	US \$	182.746	182.746	6.310
42.	ISO	US \$	5.708	0.000	0.000
43.	Bahrain	UK Pound	5.891	5.891	0.000
44.	Romania	Indian Rupees	53.260	53.260	0.000

**ANNEXURE-II**

*Statement Showing Unutilised Amount Project-wise As on March 31, 1996*

*(In donor currency millions)*

SL. NO.	NAME OF PROJECT	AMOUNT OF LOAN/CREDIT	UNUTILISED BALANCE
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1	2	3	4
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**ASIAN DEVELOPMENT BANK**

1.	North Madras Thermal Power	180.00	91.02
2.	Railway Project	190.00	151.52
3.	Telecom Project	97.50	33.17
4.	Road Improvement Project	188.00	54.98
5.	Rayalseema Thermal Power Project	190.00	38.30
6.	2nd Ports Projects	122.69	38.43
7.	2nd North Madras Thermal Power	200.00	83.67
8.	2nd Roads Projects	250.00	105.46
9.	Hydrocarbon sector Programme	250.00	125.00
10.	2nd Railway Project	107.70	60.62
11.	Power Efficiency Project	250.00	217.86
12.	TA Under Coal Project	285.00	274.55
13.	Energy Conservation Improvement	39.30	39.30
14.	National Highway Project	245.00	244.94
15.	Capital Market Development Prog.	250.00	125.00

**AUSTRALIA (Australian Dollar)**

1.	Exploration & Management of ground water - Tranch II	8.10	1.96
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**AUSTRIA (Austrian Schilling)**

1.	Austrian Capital Goods	120.00	8.06
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**BELGIUM (Belgium Franc)**

1.	XX Capital Goods Credit	250.00	207.09
2.	XIX General Purpose Loan	250.00	89.98

**DENMARK (US Dollars)**

1.	IREDA Project	15.00	15.00
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**FRANCE (Deutsche Mark)**

1.	Rastriya Ispat Nigam	8.69	0.32
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**FRANCE (French Franc)**

1.	General Credit (Proj 510M)	440.00	48.31
2.	1130 M Credit Project	1054.35	144.97
3.	Testing of Equipment for CPRI	75.35	12.56

1	2	3	4
4.	East Katras Proj. Achievement	3.72	1.83
5.	Draft Credit Agreement	125.15	-10.86
6.	Study for Coal Friquetting Equipment	560.00	479.79
7.	Water Management for DWSSDU	207.90	207.90
8.	Wave Mgt. Proj. at Jaipur & TA for Kottadih Coal Mine	43.00	43.00
9.	Mixed Projects	371.35	371.35

**GERMANY (Deutsche Mark)**

1.	NLC(II)	517.00	10.04
2.	Ramagundam NTPC	129.54	3.89
3.	NLC(III)	532.00	25.50
4.	M.P. Rural Water Supply	45.00	42.91
5.	H.D. Breakdown Cranes of Rlys	30.07	0.98
6.	Farakka Thermal Power Station	50.58	23.43
7.	Rajasthan Minor Irrigation Project I	12.30	1.43
8.	Ramagundam Open Cast Mines II	172.39	34.16
9.	Rail Coach Factory Kapurthala	8.55	0.88
10.	Dadri Power Project (NTPC)	484.90	82.06
11.	Uran Combined Cycle Power Station	310.00	12.33
12.	Railway Investment Programme	77.70	56.43
13.	Lift Irrigation Orissa	55.00	46.26
14.	Rajasthan Rural Water Supply Phase I	40.00	32.50
15.	Fertilizer Sector Programme IV	70.00	7.70
16.	Maharashtra State Electricity Board	29.74	29.74

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (US Dollar)**

1.	Raj. Command Area	55.00	6.78
2.	Sunderban Development Project	17.50	1.83
3.	II U.P. Tubewells	35.30	0.75
4.	Orissa Tribal Development	12.20	4.97
5.	T.N. Women's Development Project	13.15	5.04
6.	A.P. Tribal Development	21.61	13.01

1	2	3	4
7.	Maharashtra Rural Credit	29.44	27.10
8.	A.P. Participatory Tribal Development	26.71	24.91
9.	Mewat Area Development	15.08	13.88
<b>JAPAN (Japanese Yen)</b>			
1.	Eastern Gandak Canal Hydro Proj.	1630.00	11.30
2.	Ujjani Hydron Electric Proj.	1500.00	187.90
3.	Teesta Canal	8025.00	1439.70
4.	Assam Gas Turbine	30000.00	1939.10
5.	Srisaillam Left Bank Power Stn.	26101.00	7485.30
6.	Assam Gas Power Stn.	13552.00	1247.10
7.	T.N. Small Scale Industrial Deve.	3198.00	3153.20
8.	Raichur Thermal Power Station	23142.00	4013.80
9.	Ghatghar Pump Storage Project	11414.00	11378.00
10.	Tourism Infra. Deve.	9244.00	5838.10
11.	Upper Kolab Irrigation Project	3769.00	1590.40
12.	Upper Indrawati Irri. Proj.	3744.00	1791.70
13.	Ramagundam Fertilizer	11132.00	11132.00
14.	Mysore Paper Mills Modernisation	2381.00	2315.10
15.	Basin Bridge Gas Turbine II	11450.00	1888.90
16.	Gandhar Gas Based Combined Cycle	13046.00	689.60
17.	Kolaghat Thermal Power Stn	171.00	5.70
18.	Teesta Canal	6222.00	3747.50
19.	Indira Gandhi Afforestation	7869.00	6137.50
20.	Quality Control Health	7954.00	7767.50
21.	Power System Improvement	24379.00	23845.40
22.	Anpara Power Transmi-ssion Sys.	19318.00	14711.70
23.	Karnataka State Comp. Land Mgmt	16050.00	16050.00
24.	Gandhar Gas Based Power	42599.00	1873.60
25.	Urban City Water Supply	6788.00	5009.20
26.	Afforestation Project Aravali	8095.00	4424.90
27.	National Highway No. II	4855.00	4724.00
28.	Ajanta Ellora Conservation	3745.00	3206.30
29.	Anpara B Thermal Power	13224.00	94.70

1	2	3	4
30.	Yamuna Action Plan Proj	17773.00	17761.50
31.	Srisaillam Power Trans. System	3806.00	3804.00
32.	Ghandhar Gase Base Combine Cycle	19538.00	7523.60
33.	Udyog Mandal Ammonia Plant Proj.	24482.00	20842.10
34.	Anpara B Thermal Power Proj.	17638.00	14330.30
35.	Bakreshwar Thermal Power Project	27069.00	26862.90
36.	Faridabad Thermal Power Project	23536.00	23536.00
37.	Bridge Across River Yamuna Naini	10037.00	10036.90
38.	Four Laning of National Highway V	11360.00	11360.00
39.	Srisaillam Left Bank Power Proj.	22567.00	14708.10
40.	Srisaillam Power Trnm. Project II	9546.00	9546.00
41.	Assam Gas Turbine Power Proj. II	15821.00	13350.50
42.	Bakreshwar Thermal Power Unit 3	8659.00	8613.40
43.	Purulia Pumped Storage Project	20520.00	20479.70
44.	Kathagudam A Thermal Rehab. Proj.	5092.00	4769.80
45.	National Highway 5 Imp. Proj. II	5836.00	5835.00
46.	National Highway 24 Imp.	4827.00	4827.00
47.	Madras Sew. Reno. & Func Imp Proj.	17098.00	17098.00
48.	Lake Bhopal Conser. & Mgt. Proj.	7055.00	6997.00
49.	Rajasthan Forestry Deve. Project	4219.00	4033.00
50.	Industrial Pollution Control	1525.00	1524.60
51.	Hydrocarban Sector	33000.00	-85.00

**KUWAIT (Kuwaiti Dinar)**

1	Kalinadi Hydro Elect Proj. Stg. II	7.00	2.98
2	Kerala Fish Prawn Cul. Dev. Proj.	7.00	6.88

**O.P.E.C. (US Dollars)**

1	Ramagundam Project	30.00	0.93
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1	2	3	4
2.	Rewa Hospital Proj. M.P.	10.00	9.89
3.	Basti Dist. Hospital	6.50	4.89
4.	Raichur District Hospital	9.00	9.00
5.	Kerala Rainfed Farming Dev. Proj.	10.00	10.00

**SAUDI FUND (Saudi Riyal)**

1.	Koraput Railway Project	103.20	41.37
2.	Ramagundam Ther. Power Proj. II	172.00	109.96
3.	Jawaharlal Nehru Port Trust Proj.	141.00	32.33

**SWEDEN (Swedish Kroner)**

1.	URI Project	765.00	8.00
2.	Chandrapur Podgehe. Maharashtra	535.00	206.35

**SWITZERLAND (Swiss Franc)**

1.	Swiss Mixed Credit	60.00	-1.29
2.	Swiss Mixed Credit I	60.00	24.94

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
(US Dollars)**

1.	2nd National Agriculture Research	77.174	5.503
2.	National Agril. Extn. III Project	77.528	-0.116
3.	3rd National Seeds	155.851	19.656
4.	Integrated Water Shed Dev. Plains	65.189	38.744
5.	Integrated Water Shed Dev. (Hills)	86.237	46.778
6.	Tamilnadu Agri. Dev. Project	96.914	40.408
7.	Shrimp & Fish Culture Proj.	98.475	89.341
8.	Maharashtra Forestry Proj.	138.307	105.938
9.	West Bengal Forestry	37.084	14.799
10.	U.P. Sodic Land Recl. Project	61.851	51.384
11.	Bihar Plateau Development Project	126.159	109.735
12.	A.D.P. Rajasthan Agri. Dev. Project	113.415	72.900
13.	A.P. Forestry Project	87.282	79.258
14.	Forest Research Edu. Extn. Project	52.323	43.933
15.	Rubber Project	103.905	92.369
16.	Agriculture & Human Resources	59.500	56.272
17.	Assam Rural Infrastructure	126.000	124.000

1	2	3	4
18.	Madhya Pradesh Forestry	58.000	54.915
19.	Jharia Mine Fire Control Project	13.487	9.925
20.	Renewable Resources Project	128.272	122.790
21.	National Agriculture Project	148.875	44.840
22.	Industrial Tech. Dev. Project	66.697	40.110
23.	Industrial Pollution Control Project	36.617	31.364
24.	Industrial Pollution Prevention	27.887	26.882
25.	Gujarat Rural Roads Project	116.704	17.720
26.	Second National Highway Project	181.636	125.371
27.	Upper Ganga Irrigation Project	125.358	0.000
28.	Maharashtra Irrigation Project	169.083	-7.518
29.	National Water Management Project	130.536	0.019
30.	Upper Krishna Ph. II Irrigation	169.208	18.396
31.	Punjab Irrigation Project	171.429	77.554
32.	Dam Safety Project	148.884	125.064
33.	Water Resources Consolidation	294.289	262.026
34.	T.N. Water Resources Consol. Project	282.900	270.462
35.	Hydrology in India	142.000	137.992
36.	Orissa Water Resources Consol.	290.900	276.693
37.	5th(Bombay & Madras) Population	57.099	15.102
38.	Vocational Training Project	182.409	88.379
39.	Sixth Population Project	83.025	30.859
40.	2nd Tamil Nadu Nutrition Project	77.657	24.084
41.	Tech. Education Project	239.490	115.187
42.	Integrated Child Dev. Services	85.811	38.370
43.	7th Population Project	73.054	22.637
44.	Tech. Education II Project	27.334	193.487
45.	I.C.D.S. -II Project	221.813	205.338
46.	Child Survival & Safe Motherhood	240.374	35.880
47.	National Aids Control Project	91.230	60.441
48.	National Leprosy Elimination	94.106	71.449
49.	U.P. Primary Education Project	181.942	128.106
50.	Cataract Blindness Control Prj.	134.212	123.180
51.	Distt. Primary Education Prj.	283.490	262.597
52.	Family Welfare (Urban Slums)	79.000	74.008

1	2	3	4
53. Family Welfare Project	98.606	93.409	
54. A.P. Referral Health System	142.937	140.951	
55. T.N. Water Supply Project	78.747	29.958	
56. T.N. Water Supply Control Prj	36.500	-11.567	
57. Gujarat Urban Dev. Project	66.125	1.481	
58. U.P. Urban Development Project	142.190	33.419	
59. 3rd Bombay Water Supply Project	130.682	23.281	
60. T.N. Urban Development Project	264.889	73.734	
61. Hyderabad Water Supply & Sani.	95.293	46.560	
62. Mah. Rural Water Supply Project	117.276	79.374	
63. Karnataka Rural Water supply & Sanitation Project	103.794	93.054	
64. Maharashtra Emergency Earthquake Reconstruction Project	276.822	198.674	
65. Bombay Sewage Disposals Project	25.000	20.000	

#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1. II National Dairy Project	200.000	110.371	
2. Tamil Nadu Agricultural Dev	20.000	20.000	
3. Coal Mining & Quality Project	322.776	16.221	
4. Kerala Power Project	126.000	26.425	
5. National Capital Power Supply	373.000	50.357	
6. Talchar Thermal Power Project	367.000	128.812	
7. Nathpa Jhakri Power Project	485.000	293.854	
8. Maharashtra Power Project	354.000	183.155	
9. Northern Region Transmission Project	485.000	363.455	
10. Power Utilities Efficiency Prj.	265.000	184.301	
11. Second Maharashtra Power Project	350.000	270.444	
12. Industrial Fin & Tech Assistance Project	289.372	0.000	
13. Export Development Project	120.000	7.428	
14. Electronic Development Project	8.000	3.676	
15. Industrial Tech. Development	135.000	38.592	
16. Cement Industry Restructuring Project	293.180	45.707	
17. II Petrochemicals Project	12.000	8.798	
18. Industrial Pollution Control Project	124.000	45.588	

1	2	3	4
19. Financial Sector Project	350.000	200.000	
20. Railway Modernisation Project	252.500	3.563	
21. States Road Project	115.000	31.673	
22. Second National Highway	153.000	153.000	
23. Dam Safety Project	23.00	23.000	
24. Madras Safety Supply & Sanitation	53.000	17.296	
25. 3rd Bombay Water Sewage Disposals	20.000	20.000	
26. IInd Madras Water Supply Project	275.000	269.806	
27. Bombay Sewage Disposals Project	167.000	167.000	

#### ANNEXURE-III

Statement Showing State-Wise Unutilised Loans as at the end of 31.3.1994, 31.3.1995 and 31.3.1996  
(Amount in Rs. in crores)

STATE/	31.3.94	31.3.95	31.3.96
1. Central	36850.64	22390.78	22011.43
2. Andhra Pradesh	1386.18	1338.43	2466.21
3. Bihar	359.70	324.35	379.34
4. Gujarat	-157.99	-44.39	65.42
5. Haryana	-35.56	781.71	943.92
6. Karnataka	2073.23	1831.60	1161.01
7. Kerala	334.11	230.33	201.13
8. Madhya Pradesh	113.63	129.29	544.64
9. Maharashtra	3564.13	3920.12	5102.09
10. Orissa	238.95	199.51	1181.37
11. Punjab	310.31	239.02	264.23
12. Rajasthan	758.22	826.70	824.05
13. Tamil Nadu	2832.30	1262.95	2699.65
14. Uttar Pradesh	2635.97	2669.83	2001.38
15. West Bengal	1048.61	1190.58	2065.34
16. Multistate	4811.11	4839.31	5243.87
<b>TOTAL</b>	<b>57123.52</b>	<b>42130.12</b>	<b>47155.07</b>

[Translation]

SHRI DADA BABURAO PARANJPE Hon. Deputy Speaker. Sir, The Central Government had written to various State Governments to take steps in this regard. Have those steps been taken by State Governments and have the results thereof been to the expectations of the Central Government?

[English]

SHRI P. CHIDAMBARAM Sir, we have taken a number of steps to enhance the utilisation of Central assistance. There are a number of problems. The

principal reason is inadequate provision. If the States do not make adequate provisions in their budgets for that part of the cost of the project for which they have to make a provision, then external assistance cannot be utilised for the Project to that extent.

There are also procurement and contracting delays. There are start up and other procedural delays. I am not happy with the utilisation of external assistance, and the States must provide in their budgets if we have to improve the utilisation of Central assistance.

[Translation]

SHRI DADA BABURAO PARANJPE : Mr. Deputy Speaker, Sir, Hon. Minister has himself stated that this is not satisfactory. I would, therefore, like to know whether the Central Government contemplates to make special efforts in this regard?

[English]

SHRI P CHIDAMBARAM : Sir, we are making special efforts and I will list some measures that we have taken. For example, 100 per cent of the external assistance is now given by way of ACA (Additional Central Assistance). Of this we give 25 per cent as advance ACA even before they make a provision and start spending. We have also tried to rationalise the portfolio and some projects where utilisation is extremely low have even been dropped. We have tried to standardise the bidding documents. We have withdrawn intermediation in respect of external assistance to public sector undertakings and we now have a project monitoring unit in the Ministry of Finance.

Despite all this, the disbursement ratio is still unsatisfactory. It should be at least 20 per cent. In 1994-95 it was about 18.7 per cent, which was a substantial improvement over the previous year. In 1995-96 it came down to 15.3 per cent. I am looking into other measures that we can take in order to improve the disbursement ratio.

[Translation]

SHRI RAMESHWAR PATIDAR : Mr. Deputy Speaker, Sir, This unutilized loan has been registering an increase during the last some years. It was sixty-one thousand crore in 1992, it was 65 thousand crore in 1993 and on the 31st March, 1994 it increased to 83 thousand crore rupees and therefore, the Government and the Ministry of Finance set up a high power committee to go into it. Shri R.V.R.K. Rao was appointed as Chairman of this Committee. The recommendation made by this committee for the use of this utilized loan were not implemented and thus those recommendations did not have any fruitful effect on these unutilized loans. This is why those loans increased to that extent. The Government have to pay interest on these loans and on the other hand the money remains unutilized. I would, therefore, like to know from the Hon'ble Minister whether Government would constitute a Parliamentary

Committee to find out as to why this loan remained unutilized so far and also to ensure that this is utilized fully?

Mr. Deputy Speaker, Sir, the second part of my question is that the amount of foreign loan is also increasing and it has gone to the tune of lakhs of crores of rupees and today we are facing situation that we have to borrow new loans to clear the old ones. I would like to know whether Government propose to bring a Bill before the House under Article 292 of the Constitution to fix a statutory ceiling and make a provision that Government will not go for foreign loans in this respect.

[English]

SHRI P CHIDAMBARAM : Sir, the second part of the question is really a policy matter on which I cannot give a response by way of answer to a question. That is a policy issue.

Regarding the first part of the question, I do not know how the Hon. Member has arrived at a much larger figure than what I have. As on 31.3.94, the unutilized loan was Rs. 57,000 crore. I am omitting the odd figure. As on 31.3.95, because of the portfolio review, it came down to Rs. 42,000 crore, and as on 31.3.96, it was 47,155 crore.

We have to have a disbursement ratio ideally of about 20 per cent of the unutilized loan. We must work towards the disbursement ratio of 20 per cent. We are now at about 15 or 16 per cent. That is why I said that I am not happy with the disbursement. We give 100 per cent of the loan to the States according to the normal formula except to special category States. But then the project cost is never fully covered by the external loan. The project cost has to be recovered by the States own resources as well as the external loan.

If the State does not provide for that project in the Budget which ought to be implemented, say, in five years, it will be implemented in ten years. So, to that extent, on lending that we do to the States will get staggered over a period of ten years and the bulk of the funds will remain as unutilized loan.

Unless the States provide funds in their budgets, unless they spend it according to their time-table and unless they improve their monitoring systems, the unutilised part of loan will remain so. All I can do is to urge the States to improve their spending on plan projects. Well, I can say that the same thing applies to the Central Government Departments also. The Central Government departments also must budget for their expenditure and must spend. Otherwise, the loan that we receive from external resources will remain unutilised. I do not think that there is a need to appoint another Committee. The problems are known. The solutions are known. What is lacking is a will to implement the solutions by the States. While I would be very happy to consult the Hon. Members, I do not think that there is a need for another Parliamentary Committee.

SHRI SUDHIR GIRI : Mr. Deputy Speaker, Sir, I want to know from the Hon. Minister whether the rate of interest on the foreign borrowings paid by the States is higher than the rate of interest fixed at which we borrow the loan from the foreign countries. I want to know whether the rate of interest charged by the Union Government from the State is higher than the rate of interest at which we borrow money from the foreign countries. If so, what are the reasons?

SHRI P. CHIDAMBARAM : Sir, it is higher. The reason is obvious. The reason is that the exchange risk is borne by the Central Government.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Deputy Speaker, Sir, it is given in the Statement that a loan of Rs. 11,132 crore has been borrowed for Ramagundam Fertilizer Plant which is lying unutilized. Also a loan of Rs. 24,379 crore has been taken for power system improvement out of which an amount of Rs. 23,845 crore is lying unutilized. We have borrowed the loan in general terms. I would like to know from the Hon. Minister as to where the loan amount that we have received has been kept. We have to pay interest on that. I would like to know the place where this unutilized amount is lying and whether we are earning interest thereon or whether that money is lying spare? What is the position of that money?

[English]

SHRI P. CHIDAMBARAM : Sir, firstly, if the Hon. Member is referring to the Ramagundam Fertiliser Plant, that is not in crores and that is in Yen... (Interruptions)

SHRI BANWARI LAL PUROHIT : Like that... (Interruptions)

SHRI P. CHIDAMBARAM : I just want to correct that figure. Otherwise, an impression will be given that it is Rs. 11,132 crore. It is Yen... (Interruptions)

SHRI BANWARI LAL PUROHIT : Whatever it is, where is it lying? (Interruptions)

SHRI P. CHIDAMBARAM : We do not pay interest except to the extent that we actually draw the amount. We pay what are known as commitment charges. I have given in my answer that the commitment charges are not a very large amount. If you will kindly see the answer to part (e) of the question, which says, "The amount of commitment charges paid in undisbursed loan in the last three years was Rs. 69 crore, Rs. 59 crore and Rs. 58 crore respectively." Therefore, the undisbursed part of the loan lies with the donor. We do not draw it until the expenditure takes place. Therefore, we only pay a small commitment charge.

SHRI G.G. SWELL (Shillong) : Sir, obviously this is a difficult question. The Hon. Minister has supplied us a mass of figures and information. It is difficult for us to digest within the short time that we have here. He has also referred to the external assistance brochure,

which is available in the Library. Now, this needs a lot of study.

Now, in regard to the interest which is given in his statement, obviously the interest has been paid in different currencies. But some of them look formidable. For example, in respect of Japan, we are paying an interest of Rs. 3,24,425,334. It would help us to understand if all these interests which we are paying in different currencies, are reduced to dollars and the total amount of interest we have to pay would be better if we do the total calculation which has not been given.

Now having said that, he has blamed the various States for not utilising the loan which is given. May I know which are the States which are morally derelict in this matter and what steps have been taken against those States? That would help us to understand the position better.

SHRI P. CHIDAMBARAM : Sir, it will be difficult, but it would not be impossible. It requires quite a lot of work to reduce the interest payments to dollars because as the Hon. Members will appreciate, these interest payments are over a period of time and the exchange rate varies from year to year and sometimes, even month to month. Therefore, if it is necessary to do that exercise, I will do it. But what is important is that we pay interest only when the amount is actually withdrawn. We do not pay interest when it remains unutilised and remains in the hands of the donor. We only pay a small commitment charge and I have given the figure. It is about Rs. 60 crore a year on the entire unutilized external assistance.

As far as the question about the States is concerned, I did not blame the States. I understand and recognise their difficulties. I also said that the Central Government Departments are also equally lax in utilising the external assistance. So, it is not my intention to blame the States or to exonerate the Central Government Departments. There are difficulties but we must overcome these difficulties.

As regards the States which have large unutilized loan, without again trying to blame anyone, I would like to say that Andhra Pradesh has Rs. 2,466 crore. This is as on 31-3-1996. Maharashtra is the highest with Rs. 5,182 crore. Tamil Nadu is with Rs. 2,699 crore. Uttar Pradesh is with Rs. 2,001 crore. West Bengal with Rs. 2,065 crore. Andhra Pradesh is with Rs. 2,466 crore, and others are having about a thousand crore and below.

Now this is not a measure of inefficiency or whatever it is. This is also a measure of the fact that they have been able to pose many projects successfully and get external assistance commitments. The fact remains that the States must do better. Equally, the Central Government Departments must do better in utilising the external assistance.

SHRI V. DHANANJAYA KUMAR : Mr. Deputy Speaker, Sir, the alarming increasing foreign debt is the biggest worry of the country today. Very often, explanations are



being given that it is a regular feature of a developing economy.

Sir, this year a provision is made in the Budget by the Minister of Finance for payment of as much as Rs. 60,000 crore as debt servicing and it covers interests on the borrowings. I would like to know from the hon. Minister, whether this amount of foreign debt coupled with the non-utilisation of the money which is borrowed has accelerated further borrowing.

And Part (b) of my question is, that the Minister has tried to give explanations as to why this non-utilisation situation has occurred. I would like to know that corrective measures are being taken by the Government to see that this situation is eased out and the debt burden as well as the interest burden is reduced.

SHRI NIRMAL KANTI CHATTERJEE : Rs 60,000 crore interest is paid.

SHRI V. DHANANJAYA KUMAR : A provision is made in the Budget for Rs. 60,000 crore. It is interest only. That is what I mentioned. Is it on account of this non-utilisation?

SHRI P. CHIDAMBARAM : About the second part of the question, I have already answered it while replying to the second supplementary of the hon. Member who has put the question.

The measures that we are taking to ensure greater utilisation of external assistance are - on the first part, Rs. 60,000 crore is the interest on internal debt and external debt. If our internal and external debts are high, surely the interest rates will be high. We do borrow, we borrow both in the domestic market as well as externally. We borrow in the domestic market because the fiscal deficit is high. That is one of the reasons why I have committed myself to bringing down the fiscal deficit to below four per cent. We borrow in the external market because we need foreign exchange to meet project cost. We also need foreign exchange to meet the gap between domestic resources and the capital outlays that are required.

As I explained a little while ago, we do not pay interest on the undisbursed part of the external assistance. We pay interest only when we actually draw the money. It remains in the hands of the donor. We pay what we call 'commitment charges'. If we improve the rate of utilisation then we will be paying more interest because we would have drawn the money. But equally we would have got the benefit because the money would be invested in Plan projects and that will start yielding returns.

SHRI V. DHANANJAYA KUMAR : The problem is of non-utilisation.

SHRI P. CHIDAMBARAM : Sir, I had already answered it. I do not know whether the hon. Member was here when I answered the question. I answered the second supplementary; I gave the reasons for non-utilisation... (Interruptions). I had already given it.

SHRI PRITHVIRAJ D. CHAVAN : Sir, the unutilised amount of loans by the end of 31st March, 1996 is more than Rs. 47,000 crore. It was also indicated that the main reason for the loans not being utilised is the problem of lack of matching funds from the State Governments. Is it not a fact that many of these schemes and loans are earmarked for Central Public Sector Undertakings? He himself has replied to it.

Will the Hon. Minister give the percentage of outstanding loans under the direct responsibility of the Central Government Departments and Central Public Undertakings? Could he give a Department-wise and P.S.U.-wise breakup? He can supply this information later on.

SHRI P. CHIDAMBARAM : Sir, I think, I did give this figure, but I will give it again. Of this Rs. 47,155 crore of unutilised amount, as on 31.3.1996, the Central Government accounts for Rs. 22,011 crore. I cannot give breakup according to the Departments or P.S.U.s now. But the Central Government is responsible for Rs. 22,011 crore. That is why in my first answer as well as in the answer to supplementaries, as I said, is that not only the State Governments but the Central Government is also not utilising the loans properly. So, I said, that the Central Government Departments and Ministries must also provide money in the Budget for these projects and must increase the rate of utilisation.

[Translation]

MR. DEPUTY SPEAKER : Before I go to the next question, I would like to congratulate you all. As the House commenced yesterday, its sitting went on right upto 7.20 A.M. today. I congratulate all of you for this. All the Members got an opportunity to speak and an historic record has been created. It is very good indeed, and the credit for this goes to you all.

VAIDYA DAU DAYAL JOSHI : A record has been created for the House sitting that long. Therefore, congratulations to all the Members of the House and to the entire staff of the Secretariat. Olympic season is going on and this House has also made a record. The House sat for such a long time. Therefore, all the Members of the House should be congratulated by you profusely and I also congratulate them on my behalf.

[English]

### Lok Adalat

\*243. SHRI S.D.N.R. WADIYAR : Will the Minister of LAW AND JUSTICE be pleased to state

(a) the number of Lok Adalats organised in Karnataka during the last three years;

(b) the extent to which these Adalats are able to help the people;

(c) the number of cases/disputes settled in those Lok Adalats during the above period;

(d) whether the Government propose to organise these Adalats in more frequencies and in new areas; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D.KHALAP) : (a) to (c). As per information provided by the Karnataka Legal Board, 713 Lok Adalats were held during the years 1993, 1994 and 1995 settling 89,755 cases of the nature of bank suits, civil/criminal/labour cases, traffic offences, consumer cases, motor vehicle claims cases and land acquisition cases. Compensation of Rs. 34,25,43,747 was awarded in 14,710 motor vehicle claims cases and Rs. 21,10,67,144 in 7,346 land acquisition cases respectively.

(d) and (e). Lok Adalats are voluntary efforts for resolution of disputes through conciliatory and persuasive methods and are organised from time to time by the State Legal Aid and Advice Boards etc. for taking up pre-litigative as well as cases pending in the law courts.

SHRI S.D.N.R. WADIYAR : Sir, what is the number of cases that are pending which can be settled or resolved by the Lok Adalats and what is the frequency with which the Lok Adalats meet and does the Government propose to transfer a large number of pending cases to the Lok Adalats for speedy disposal?

SHRI RAMAKANT D. KHALAP : Sir, the Government intends to make these Lok Adalats a movement of the people. We would like to increase the frequency of the Lok Adalats in the entire country and see that a large number of cases which can be settled through the forum of Lok Adalats are settled as expeditiously as possible.

SHRI S.D.N.R. WADIYAR : My question was specific. What are the number of cases pending, especially in the State of Karnataka, which could be resolved or settled by Lok Adalats?

SHRI RAMAKANT D. KHALAP : Sir, the information about specific number of cases which can be resolved by the Lok Adalats is not available at the moment. But I can assure the hon. Member that all those cases except those criminal cases which are not of compoundable nature, all civil disputes, all motor accident claims and land acquisition matters and all such types of cases which are possible to be resolved by recourse to Lok Adalats will be referred to the Lok Adalats and resolved.

SHRI S.D.N.R. WADIYAR : Sir, my second supplementary is : Does the State provide free legal aid to those who are financially weak or to the weaker sections of the Society? I would also like to know the district-wise break-up of the cases that have been disposed of and does the Government propose to extend the family courts for settlement of family disputes by means of Lok Adalats?

SHRI RAMAKANT D. KHALAP : Sir, again the district-wise break-up is not available. I can give the year-wise break-up. In 1993 there were 258 Lok Adalat camps and the 54,289 cases in total were settled in that year. In 1994 there were 205 Lok Adalat camps in which 15,019 cases were settled. In 1995 250 Lok Adalat camps were organised in which 20,447 cases were settled. Karnataka provides legal aid to persons with income not exceeding Rs.9,000 per year.

[English]

SHRI RAMASHRAYA PRASAD SINGH : Mr. Deputy Speaker, Sir, there is much talk in the country about the Lok Adalats, that it is a very good move, and the cases are being disposed of expeditiously. I would like to know from the hon. Minister whether it is on the papers only? I am asking this only because just now you told that the district-wise figures are not available with you. It seems that this is a project confined to papers only and you have no figures with you. I would also like to know from the hon. Minister whether Lok Adalats in Bihar also...

MR. DEPUTY SPEAKER : This question relates to Karnataka.

SHRI RAMASHRAYA PRASAD SINGH : But this is the question of the entire country, it does not relate only to Karnataka, it encompasses the entire country. Lok Adalats are being organised in the whole country and it is why I am not asking this question wrongly. I would like to know whether Lok Adalats are being conducted in case of Bihar also or not?

[English]

MR. DEPUTY SPEAKER : The question relates to Karnataka only. I am sorry, I am not allowing it.

[Translation]

SHRI SHIVRAJ SINGH : Many small cases are pending in the courts in the States. Indeed, Lok Adalats is a unique experiment in view of the disposal of these cases. But in practice, it has been seen in Karnataka and also in Madhya Pradesh that these Lok Adalats are organised in the district hardly once a year as a formality. Thousands of cases come up therein and they are not disposed of properly. Many often, the cases are left after completing the formality which leads to the disputes afterwards. I would like to know from the hon. Minister as to what steps are being taken by him to make the proceedings of these Adalats more effective so that the cases are disposed of properly and, therefore, more cases could be taken up. I would also like to know whether Lok Adalats would be organised at block level also in addition to the district level and whether such cases would be dealt with more effectively. I would like to know the efforts being made by Government in this regard.

SHRI RAMAKANT D. KHALAP : In this regard our effort will be to organise the Lok Adalats in the entire country - in each State, in each District and even in each

"taluka". We have embarked upon some steps in this connection and perhaps when I come before you next time, I will furnish full information in this connection. I am trying to spread a movement in the whole country.

[English]

MR. DEPUTY SPEAKER : I have allowed him.

(Interruptions)

SHRI P. KODANDARAMAIAH (Chitradurga) : Sir, there is a feeling among the legal circles as well as among the general public that the system of Lok Adalats is an off-shoot of the judicial delays happening in the courts. I would like to know from the Minister whether the Lok Adalats are there as a result of the delays in the judicial processes and whether he is going to have a dialogue with the judiciary to ensure that the delays are avoided. Secondly...

MR. DEPUTY SPEAKER : You are supposed to ask only one supplementary

SHRI P. KODANDARAMAIAH : It is a small supplementary and that is about evolving certain procedure in the Government to ensure that the disputes relating to lands and houses are not treated as cognizable offences so that these are decided at the local level either by the village Panchayats or at the police station level

SHRI RAMAKANT D. KHALAP : We have had dialogue with the judiciary on a number of occasions. In fact, there have been conferences of the Chief Justices, the Law Ministers and the Chief Ministers on a number of occasions. This system has been developed as a result of the nation-wide debate that had taken place because of the huge pendency of cases in a number of courts. This system has now been evolved. This is a very successful movement that we have had so far. Our experience is still a number of States have to undertake the constitution of various authorities under the Act and also to take it to different districts at the taluka level. Therefore, I do not think there is any need to have any more dialogue with the judges. Otherwise, we will only be ending up in having conferences and conferences. The time has come to implement the recommendations that have been made from time to time.

[Translation]

SHRI RATILAL KALIDAS VERMA : Mr. Deputy Speaker, Sir, I would like to know from hon. Minister, and you are also aware of this fact that Gujarat, in my view, ranks first in regard to the Lok Adalats. (Interruptions)

[English]

MR. DEPUTY SPEAKER : You may ask questions regarding Karnataka only. (Interruptions)

[Translation]

SHRI RATILAL KALIDAS VERMA : I am asking the question only. What I want to say is that the people of

Gujarat have been very peace-loving and justice-loving. In this connection I would like to know whether Government propose to give some incentive to the State where Lok Adalats have proved more successful as also whether Government are contemplating to extend these Adalats to Tehsil level and also to provide financial assistance in this regard?

SHRI RAMAKANT D. KHALAP : The Government have not considered this so far but it is not impossible to consider your suggestion in future.

SHRI JAI PRAKASH AGARWAL : Mr. Deputy Speaker, Sir, I would like to submit that so far the practice is that no time is fixed as to when the Lok Adalat would be conducted. Consequent to this the poor or the small people have to pay large amount of money to the lawyers and much of their money goes waste in this regard. Would you kindly agree to this suggestion that a definite time may be fixed for Lok Adalats. You may fix some month or some week or some day in a year for this purpose so that the money which people have otherwise to spend could be saved by them.

SHRI RAMAKANT D. KHALAP : Replying to the discussion on Judges' bill in this House, I had said in my reply that we would promote the alternative dispute redressal system. The new Bill which is coming now and the Adjudication and Conciliation Bill passed by Rajya Sabha recently as well as Lok Adalats will arm us to deal with all the cases pending in the Courts which run into two and a half crore. (Interruption)

SHRI JAI PRAKASH AGARWAL : I would like to know whether you will fix a definite time as to when Lok Adalat will be set up or will it be set up as and when you advertise in this respect?

SHRI RAMAKANT D. KHALAP : I will consider this.

SHRI SHATRUGHAN PRASAD SINGH : Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister that when this scheme has been implemented for the welfare of the poor, whether there is any systematic programme under which the people are apprised of the benefits thereof as well as the type of cases undertaken by these Adalats. I would also like to know the number of years or months in which Government propose to dispose of the cases pending in Lok Adalats?

SHRI RAMAKANT D. KHALAP : I am considering this very carefully.

SHRI SHATRUGHAN PRASAD SINGH : Would you kindly assure the House in how many days the pending cases of the poor people will be disposed of? (Interruptions)

SHRI RAMAKANT D. KHALAP : This is only for the poor people. Our courts are also for the poor people. (Interruptions) we all are for the people. I will seriously consider the suggestion given by you.

SHRI THAWAR CHAND GEHLOT : Mr. Deputy Speaker, Sir, now the Lok Adalats are being organised

and in some district the cases are being disposed of under pilot project scheme also and the target per year fixed for a Lok Adalat is 300 cases. A separate sum has been earmarked to be paid as an allowance to the witnesses. Because more cases are being disposed of by the Lok Adalats, the number of witnesses appearing before them is also more. But the Adalats do not have adequate arrangements for the payment of allowance to the witnesses. In this context I would like to know from the hon. Minister whether the Central Government would prepare and implement a scheme under which the witnesses appearing before the Lok Adalats and also in connection with the cases under pilot project scheme are paid the allowance in time. Otherwise what is happening is that many people do not want to come to give evidence because they do not possess the railway or the bus fare required for the journey to and fro. Will the Government take steps to bring about an improvement in this situation?

**SHRI RAMAKANT D. KHALAP :** Sir, I am taking into consideration the entire issue relating to Lok Adalats. As I said earlier, not only Lok Adalats, but also any other alternative system that may be available, will be taken into consideration. I am thinking of organising such a system that in the next couple of years, the entire pendency of cases in all the courts in the country may be brought down to a reasonable limit. This will include taking care of bhatta to be paid to witnesses and all that. We will also take into consideration other things to make the system more effective and to spread the system from the highest level to the lowermost level and so on.

[Translation]

**SHRI THAWAR CHAND GEHLOT :** Mr. Deputy Speaker, Sir, I had asked him about the allowance and he has furnished no information in this regard thereto.

**MR. DEPUTY SPEAKER :** He has given the information.

**SHRI DATTA MEGHE :** Mr. Deputy Speaker, Sir, it has been reported that more than two crore cases are pending in Lok Adalats and the hon. Minister has given an assurance about three to four times in the course of his reply that the Government propose to extend this system upto "taluka" level in this connection.

I would like to submit that in the civil courts, small cases continue for ten to twelve years and whosoever lawyer goes there, he gets the date postponed after making some payment. On the other hand the Lok Adalats easily come to the help of poor people and if you take them to the "taluka" level in right earnestness, the poor people will be benefited. I would like to know in how many years, how many months and in how many days you are going to complete this time-bound programme. This is the concern of a large number of people. The hon. Minister should spell out the period in which this programme is going to be implemented.

[English]

**SHRI RAMAKANT D. KHALAP :** Sir, at this stage I cannot give any specific reply to this question.

[Translation]

**SHRI DATTA MEGHE :** I would like to submit that you should do it within an year or six months so that the people of the country know that we have extended the Lok Adalats upto the "taluka" level. The Government should come out with a time-bound programme in this regard, otherwise it will be of no use.

[English]

**SHRI RAMAKANT D. KHALAP :** Sir, for this purpose, I must tell the House that this system is to be implemented at the State level by the State Governments. Therefore, the State Governments have to frame rules and create various authorities under the Act. For the information of the hon. Member, I must also say that many States have not performed their duty.

[Translation]

**SHRI DATTA MEGHE :** The Lok Adalats have started functioning in my State. Very good work is being done in Maharashtra. The hon. Minister has said that he proposes to extend these courts to "taluka" level. I would like to know whether the hon. Minister proposes to forward this type of programme to the Maharashtra Government or to any other State Government?

[English]

**SHRI RAMAKANT D. KHALAP :** Mr. Deputy Speaker, Sir, we have the Legal Services Authorities Act, and Chapter III of this Act has been extended to 10 States. They are, Andhra Pradesh, Haryana, Himachal Pradesh, Punjab, Orissa, Rajasthan, Sikkim, National Capital Territory of Delhi, West Bengal and Uttar Pradesh. The Legal Services Authority has been constituted in three States, namely, Andhra Pradesh, Haryana and Himachal Pradesh. The State of Manipur has finalised the rules, and the notification extending Chapter III will be issued very shortly.

As regards other States, work has not been done. I would request the hon. Members, from whichever States they come, to kindly interact with their respective States to see that they frame the rules, to see that the Act is made applicable in its total respect everywhere and we create the bodies, to be constituted under this Act, so that right from the Taluka level up to the High Court level these Lok Adalats could start functioning.

[Translation]

#### **Import and Supply of Gold to Jewellery Exporters**

\*244 **SHRI RAM KRIPAL YADAV**

**SHRI MRUTYUNJAYA NAYAK**

Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of gold imported by MMTC under the special import licence during each of the last three years;

(b) whether gold was given to jewellery exporters under 'Gold on Loan' Scheme launched by MMTC;

(c) if so, the details of exporters and quantity of gold given to them during the above period, location-wise;

(d) whether the payment has been made to MMTC by the exporters after exporting jewellery in accordance with the rules prescribed by MMTC;

(e) if not the reasons therefor and the total amount payable to MMTC and the actual amount of payment received upto March, 1996;

(f) whether any inquiry has been conducted by the Government in this regard;

(g) if so, the outcome thereof;

(h) whether any official is involved in the fraud, and

(i) if so, the action taken by the Government against the officials involved thereon and the steps taken to prevent such frauds?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (i). A statement is laid on the Table of the House.

#### STATEMENT

- (a) MMTC is one of the agencies nominated by Government to import gold duty-free for supply to exporters of jewellery under Paragraph 88 of the Exim Policy. This is a promotional scheme operated by MMTC to enable the exporters of jewellery to get gold at international prices. Besides this scheme, MMTC, being a Super Star Trading House is also entitled to special Import Licence as export benefit which it utilises to import gold on payment of concessional rate of customs duty of Rs 220/10 gm for sale to domestic market.

The total quantity of gold imported by MMTC during the last three years is given below :

Year	Import Under SIL (In Kgs.)	Import Under Export Promotion (In Kgs.)
1993-94	0	13673
1994-95	3000	17369
1995-96	7000	20438

(b) Yes, Sir

(c) About 400 exporters of gold jewellery have been given gold on loan by MMTC. Total quantity of

gold loaned by MMTC during the last 3 years state-wise is given below :

(Qty in Kgs.)				
STATES	1993-94	1994-95	1995-96	TOTAL
Delhi	5571	5125	3993	14689
Uttar Pradesh	1253	1107	1518	3878
Maharashtra	2760	3749	3564	10073
Karnataka	676	1581	2376	4633
Andhra Pradesh	0	82	166	248
West Bengal	619	474	1225	2318
Rajasthan	0	0	74	74
Gujarat	63	311	200	574
<b>TOTAL</b>	<b>10942</b>	<b>12429</b>	<b>13116</b>	<b>36487</b>

(d) Of this quantity of 36487 kgs. of gold issued on loan by MMTC to exporters, MMTC has not received payment for a quantity of 362 kgs. This works out to 1% of the total amount of gold issued on loan by MMTC to jewellery exporters during the last three years.

(e) The break-up of this 362 kgs. of gold is as follows

- (i) Gold loaned and jewellery 202 kgs not yet exported
- (ii) Jewellery exported but gold 160 kgs not yet paid for

Reasons for the above are broadly as follows :

- (i) Requests by some exporters for extension of time for effecting exports
- (ii) Unauthorised removal of gold from the bonded premises.
- (iii) Non-realisation of export proceeds

(f) to (i) In all these cases, action has been pursued by MMTC in accordance with Director General of Foreign Trade, Customs Department, Department of Enforcement and other enforcement agencies including the Central Bureau of Investigation. Action against officials suspected of negligence or collusion has also been initiated.

Government have constituted an Inter-Ministerial Group under the Chairmanship of Commissioner (Customs), Delhi to take coordinated action against defaulting exporters of gold jewellery. Government have also tightened up the procedures by reducing the period allowed for exports to 60 days for gold supplied on loan. The jewellery units in EPZ/EOWs are now also required to furnish bank guarantees on graded scales from 10% to 100% depending upon their past export performance.

[Translation]

SHRI RAM KRIPAL YADAV : Mr. Deputy Speaker, Sir, it was a very important question but the hon. Minister has given very unsatisfactory reply. I would like to ask the hon. Minister whether it is a fact that gold was given without any security?

SHRI BOLLA BULLI RAMAIAH : Sir, as per the policy of the Government of India, we have appointed different Commissions for the purpose of exporting jewellery from this country. They are State Bank of India, Handicrafts and Handloom Export Organisation, M.M.T.C., and State Trading Corporation. This is mainly for the small scale sector where they have got the reputation as the exporters of jewellery, and gold was given on loan. But we realised that in some particular cases, we had some problems, and we had initiated action in all those cases. However, if you see the total amount of gold issued, you will know that less than one per cent of the total amount of gold is yet to be recovered. We are processing these cases. Out of a total profit of Rs.78.5 crore, an amount of Rs. 11.6 crore is pending in litigation. We are making efforts to see that the export of jewellery is encouraged. We have also taken up all these issues for consideration from September 1995. We are now insisting that the exporters should furnish a bank guarantee for the full amount or collateral security about their ability and past performance.

MR. DEPUTY SPEAKER : The hon. Member's question is very specific. He wanted to know whether gold was advanced to some people without any security.

[Translation]

SHRI RAM KRIPAL YADAV : Mr. Deputy Speaker, Sir, I had asked a very simple question.

MR. DEPUTY SPEAKER : I have asked on your behalf and spared your second supplementary.

[English]

SHRI BOLLA BULLI RAMAIAH : We have given some gold to the small scale sector for export purposes. It was advanced initially on the basis of their past performance. Probably, at that time, we have not taken the collateral security for the full amount. But now, after seeing the performance, we realise that we should tighten this thing and we are also taking action against those people.

MR. DEPUTY SPEAKER : The question still remains unreplied. The hon. Member wants to know whether any gold was advanced to anybody without any security.

SHRI BOLLA BULLI RAMAIAH : Yes, Sir, without any security, we had given some gold on the basis of their past export-oriented goals.

[Translation]

SHRI RAM KRIPAL YADAV : Sir, the hon. Minister has accepted that some gold was given without any security. In this connection, I would like to know from the hon. Minister, whether he proposes to institute an enquiry against the concerned officers including the Chairman by C.B.I. or whether he is conducting some other type of enquiry...(Interruptions) What was the quantity of the gold given...(Interruptions)

[English]

SHRI BOLLA BULLI RAMAIAH : We have also initiated action against the officials suspected of negligence and collusion and who are working in the Offices of the Director-General (Enforcement), Customs and various other officials...(Interruptions).

MR. DEPUTY SPEAKER : The hon. Minister is consulting his papers. Let him consult.

SHRI BOLLA BULLI RAMAIAH : We have so far advanced 36.484 kg. of gold. Out of that net recovery is 360 kgs.

[Translation]

SHRI RAM KRIPAL YADAV : Sir, I had asked whether the hon. Minister proposes to institute a C.B.I. enquiry against the concerned officers as it is a case of very big bungling which has resulted in great loss to the country.

[English]

SHRI BOLLA BULLI RAMAIAH : Yes, Sir. We have taken necessary action through CBI, DOE and DRI. Different kinds of actions were taken against these people. (Interruptions)

SHRI MRUTYUNJAYA NAYAK : I would like to know whether in view of such security deposit, there have been any such instances or precedents previously also that Government has considered to give such a relaxation; if not, what are the compelling circumstances under which the Government has given such relaxation?

SHRI BOLLA BULLI RAMAIAH : On the basis of past performance, we have taken into consideration the export-oriented small scale industries and now we have tightened this issue after realising that certain amount of deposit should be there. From September, 1995 we are insisting on making full bank guarantee.

[Translation]

SHRI GEORGE FERNANDES : Mr. Deputy Speaker, Sir, I was much astonished when the hon. Minister observed that only one per cent gold remains to be recovered yet. He has taken this very lightly. One per cent gold means one hundred crore of rupees including interest and custom duty thereon. One hundred crore rupees of the country has not been recovered. He is not worried on this score. He is giving us the figures to show as to how the gold was given. It was given without any bank guarantee. Thirty-six thousand kilograms of gold valued at two thousand crore of rupees was given without bank guarantee. The hon. Minister has given three reasons and one of these three reasons is :

[English]

(1) Unauthorised removal of gold from the bonded premises.

[Translation]

In this connection, I would like to know from the hon. Minister as to how the gold was removed from the bonded warehouses unauthorisedly, when did you come to know of this, who are the persons responsible for this, how many people have been apprehended and if apprehended what is the action being taken against them? The hon. Minister has not answered these queries. You have repeatedly said that you are issuing gold to the small people. These are not small people but these are export houses. They manufacture ornaments through machines and they have snatched the livelihood of the goldsmiths. Fifty lakh goldsmiths are starving at present in the country. The export houses is a class indulging in thieving. I would like to know from the hon. Minister whether he proposes to discontinue issuing gold to this class and ensure that the ornaments are manufactured by the small goldsmiths and then exported.

[English]

SHRI BOLLA BULLI RAMAIAH : We have taken proper care of it. Now, in the DoE, 80 cases are pending; in the DRI, nine are pending and in the CBI, five are pending. We are proceeding on those lines against these people. We have taken necessary action against all those people.

[Translation]

SHRI GEORGE FERNANDES : I would like to know whether the hon. Minister proposes to take away this job from the big people, and entrust the same to the small goldsmiths?

[English]

SHRI NIRMAL KANTI CHATTERJEE : I believe that the replies can be little more satisfactory.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU) : It is quite encouraging.

SHRI NIRMAL KANTI CHATTERJEE : The first part of my question is : What penalties have been imposed? How many persons are involved and who are they? This is the first part of my question. As Shri George Fernandes has very correctly drawn our attention, the sums involved are huge. One of the reasons given for relaxation was that smuggling would be stopped or reduced. Is he prepared to furnish us the figures about the amount of reduction taken place in smuggling of gold here? This is another part of my question.

Then, I want to know in which year this offer has been given? How much of penalty was imposed? In which form was it imposed? Has anybody been influenced? I feel that there is some collusion. Some officials are involved. Have they been dismissed? What kind of penalty has been imposed?

MR. DEPUTY SPEAKER : Only one supplementary is allowed.

SHRI NIRMAL KANTI CHATTERJEE : This is one part of my question. The hon. Finance Minister is here. The interesting part is in another statement. It is not only for exports but the domestic consumption of gold has jumped from zero to 3000 to 7000 kgs. and this bit of gold is lost on the way. One per cent is for export purposes but five per cent of this, that is, 3000 kgs. of gold is equal to five per cent of the consumption which has been brought within our country. Does he think that our savings are getting affected because of the diversion, expenditure on gold in the domestic areas?

SHRI BOLLA BULLI RAMAIAH : I have given the action taken on various cases for the years 1993-1994 and 1995. I have already given you the total number of cases. About 32 persons are involved, against whom action has been taken. We have also taken proper precautions in September 1995. All the cases are going on. These are all for EPZ/EOU.

SHRI NIRMAL KANTI CHATTERJEE : How many people have been awarded penalty? What kind of penalty has been awarded?

SHRI BOLLA BULLI RAMAIAH : Some people have been arrested, some people have been put on investigation. In some cases, there have been negotiations. (Interruptions.)

SHRI NIRMAL KANTI CHATTERJEE : What are their identities? He has pointed out that the richer people are involved. It is not the small owners who are involved but the richer people are involved. Who are they?

SHRI BOLLA BULLI RAMAIAH : As far as we are concerned, we are giving it only to the small traders who have come under the EPZ/EOU. That is what we are doing.

SHRI NIRMAL KANTI CHATTERJEE : Is there no intermediary?

SHRI BOLLA BULLI RAMAIAH : It is given to those people directly. That is where we are supplying this gold on loan. This is meant for the scheme and this scheme is going on that basis.

[Translation]

SHRI SHIVRAJ SINGH : I would like to know from the hon. Minister as to who are the exporters to whom gold was issued without any security under this scheme? Against how many, action has been taken and on what issues?

[English]

SHRI BOLLA BULLI RAMAIAH : We have got a list of those people. If you want, I will put it on the floor of the House. As I said earlier, 32 cases are pending and we are proceeding on those cases. (Interruptions.)

[Translation]

SHRI SHIVRAJ SINGH : Who is looking into it and what are the issues on which action is being taken?

[English]

MR. DEPUTY-SPEAKER : Now, he is asking the supplementary.

SHRI BOLLA BULLI RAMAIAH : The main action by the CBI is going on. We have also got the DoE and the DRI. We are using them. All the three agencies are taking action on these people.

[Translation]

SHRI SHIVRAJ SINGH : A Minister belonging to the previous Government is involved in it. The hon. Minister is, therefore, not revealing the name.

[English]

SHRI SARAT PATTANAYAK : This is not the right answer. He is involving the previous Government. That is why he is not giving the answer. That is not the right answer. This should not go... (Interruptions)

SHRI BOLLA BULLI RAMAIAH : We are not quoting any officials in this case. As I mentioned in the House, action has been initiated against officials suspected of negligence/collusion. So, action has been initiated against all these people in these cases ... (Interruptions)

[Translation]

SHRI SHIVRAJ SINGH : You, kindly lay the list on the table of the House... (Interruptions)

[English]

MR. DEPUTY SPEAKER : Let him ask.

SHRI B.K. GADHVI : The question pertains to the transactions for the last three years. As Shri George Fernandes has rightly pointed out, this is a question of more than three and a half quintals of gold and unauthorised removal of it from the bounded warehouses. Now I would wish to ask the hon. Minister whether, those warehouses which have indulged in unauthorised removal of this gold from the bounded warehouses and those who have not made the payment back to the MMTC, the Government have black-listed them.

Secondly, I would like to know whether the Government have proceeded against these persons on a criminal basis and on other basis and whether the Government have tried to find out as to whether there was any collusion between the custom officers of these warehouses, and if so, what has been transpired?

SHRI BOLLA BULLI RAMAIAH : The action has already been taken. The Government have constituted an Inter-Ministerial Group under the chairmanship of the Commissioner of Customs to take a coordinated

effort and also to take action against all these people. We are doing that job.

SHRI B.K. GADHVI : I would like to know whether action has been taken or not for the last three years.

### Industrial Growth

\*245. SHRI P.R. DASMUNSI : Will the Minister of INDUSTRY be pleased to state :

(a) Whether the Government have declared the industrial growth for the year 1995-96; and

(b) if so, the growth in industrial sector, sector-wise vis-a-vis the targets fixed and achievement made alongwith the comparative figures for 1994-95, State-wise?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). A Statement is laid on the Table of the House.

### STATEMENT

(a) and (b). As per the quick index of industrial production, the overall industrial growth in 1995-96 was 12.1 per cent as compared to 9.4 per cent in 1994-95. Sector-wise growth in industrial production and envisaged average annual growth rate in the Eighth Five Year Plan (1992-97) is indicated below:

### Industrial Growth (%)

Sector	Weights	Envisaged Annual Rate (1992-97)	Growth Rates (1994-95)	Growth Rates (1995-96)
Mining	11 464	8.9	7.3	6.9
Electricity	11 429	7.6	8.5	8.1
Manufacturing	77 107	8.2	9.8	13.7
Overall	100	8.2	9.4	12.1

Comparable index of industrial production at state level are not prepared

SHRI P.R. DASMUNSI : Mr. Deputy Speaker, Sir, the time is short and I seek your protection. The question has not been answered fully. If you look at my question, Part 'C' of that has not been answered. Parts 'A' and 'B' have been answered and about part 'C', it has been stated that comparable index of industrial production at State level are not prepared. If this is the way, how do I ask the question? I was more keen to know about it.

SHRI SHIVRAJ SINGH : There is no part 'C'.

SHRI P.R. DASMUNSI : Part 'C' is there... (Interruptions)



[Translation]

This "State-wise" had been clubbed with Part 'B' of the question.

[English]

In the last part, it is stated that comparable index of Industrial production at the State level are not prepared. Now I would like to know from the hon. Minister one thing. A few days before the Budget, the Economic Survey said that the industrial growth is 11.7 per cent and the Minister replied very generously saying that it is 12.1 per cent. I do not like to argue about the difference between the Economic Survey Report and the Statement of the Minister of Industries.

MR. DEPUTY SPEAKER : Ask the question. The time is running.

SHRI P.R. DASMUNSI : My question is that while the overall picture of the manufacturing process is very nicely implemented at 13.7 per cent of growth. What are the reasons for which the mining sector and the electricity sector are not improving at all? Why is there a sluggish trend?

SHRI MURASOLI MARAN : The hon. Member has asked as the last part of the question about this comparative figures of growth rates in the State. Generally it is not compiled. Currently, the indices of industrial production are prepared at the national level. Comparative indices for States are very essential. I agree with the hon. Member. But efforts are being taken now. Already, an assurance has been given in this House. There are certain difficulties. You may ask, why can the national figures not be super-imposed on the industrial production of States according to their particular kind of activity. It is not possible. For example, the weightage diagram cannot be super-imposed to get a comparable state level indices. The importance of individual industry differs from State to State. For example, if you prepare a list giving weighted diagram for West Bengal, you have to give a much larger weightage to jute whereas in Tamil Nadu, we do not know about jute. So these figures cannot be superimposed.

12.00 hrs.

Likewise there are production facilities. There are companies like BHEL which have got production facilities in many States. But they maintain accounts at the headquarters alone. These are the difficulties.

I would tell the hon. Member that the Central Statistics Organisation and the Ministry of Industry are already seized of the matter to prepare Statewise index. Already the Technical Advisory Committee constituted by the CSO has broadly finalised the approach for the constitution of State level indices. The issue weightage diagrams and selection of basket of commodities is being taken up in consultation with the State Bureau of Economics and Statistics. I think that in the distant future they will come out with State indices.

The hon. Member has asked a question regarding mining sector. There is a deceleration of growth from 7.3 to 6.9. He wanted to know the reasons. These are the areas of concern because in mining there is a deceleration. More than anything else, in the case of electricity even though the deceleration seems to be marginal, it is one of the areas of concern. That means we have to adopt very clear cut policies regarding power generation. As of now the hydro electric power-generation is very less. So, topmost priority should be given for power sector. That is being taken care of in the present Budget also by the hon. Finance Minister.

## WRITTEN ANSWERS TO QUESTIONS

[English]

### Mutual Funds

\*242. SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state :

(a) whether Mutual Funds operating in the country have been found to be indulging in financial abuses and undesirable business practices;

(b) if so, whether the Securities and Exchange Board of India (SEBI) has conducted any investigation in this matter;

(c) if so, the details thereof; and

(d) the steps initiated by the Government to salvage the various mutual funds?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). Mutual Funds are regulated by SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1993. SEBI has conducted inspection of 21 Mutual Funds that were set up before March, 1995. The inspections have brought out operational deficiencies, violations of the provisions of SEBI Mutual Funds, regulations etc

(d) wherever required, SEBI has followed up on its inspection by issuing show cause notice, initiating adjudication proceedings etc. as provided under the Securities and Exchange Board of India Act, 1992 and the SEBI (Mutual Funds) Regulations, 1993.

[Translation]

### Royalty on Coal

\*246. SHRI THAWAR CHAND GEHLOT : Will the Minister of COAL be pleased to state :

(a) the amount to be paid by the Union Government to other States on account of royalty of coal as on May 31, 1996 alongwith the names of States;

(b) the amount of royalty of coal paid by the Union Government to Madhya Pradesh during 1994-95 and 1995-96: and

(c) the present rate of royalty of coal, State-wise?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) According to information received from Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL), the amounts of royalty on coal payable by them to the States as on the 31st May, 1996 are as under:

(Rs. in crores)

STATE	AMOUNT OF ROYALTY PAYABLE AS ON 31.5.1996
West Bengal	2.96
Bihar	8.10
Orissa	11.80
Maharashtra	2.03
Madhya Pradesh	0.19
Andhra Pradesh	36.66

(b) The amount of royalty on coal paid by Western Coalfields Limited (WCL) and South Eastern Coalfields Limited (SECL), subsidiaries of CIL, to Madhya Pradesh during 1994-95 and 1995-96 are as under :

(Rs. in crores)

YEAR	AMOUNT
1994-95	438.91
1995-96	666.77

(c) The existing rates of royalty on coal are given in the attached statement.

#### STATEMENT

(A) Rates of Royalty on coal produced in all States and Union Territories except the States of West Bengal and Meghalaya.

##### (I) Group I Coals :

- |                      |                            |
|----------------------|----------------------------|
| (a) Coking Coal      |                            |
| Steel Grade-I        | One hundred and ninety     |
| Steel Grade-II       | five rupees only per tonne |
| Washery Grade-I      |                            |
| (b) Hand picked coal |                            |
| produced in the      | One hundred and fifty      |
| State of Arunachal   | rupees only per tonne      |
| Pradesh, Assam and   |                            |
| Nagaland             |                            |

##### (ii) Group II Coals :

- |                         |                            |
|-------------------------|----------------------------|
| (a) Coking Coal Washery | One hundred and thirty     |
| Grade-II                | five rupees only per tonne |
| Coking Coal Washery     |                            |
| Grade-III               |                            |

- (b) Semi-Coking Coal Grade-I
- Semi-Coking Coal Grade-II

One hundred and thirty five rupees only per tonne

- (c) Non-Coking Coal Grade-A
- Non-Coking Coal Grade-B

- (d) Ungraded run of Mine coal produced in the State of Arunachal Pradesh, Assam and Nagland.

One hundred and twenty rupees only per tonne

##### iii. Group III Coals :

- (a) Coking Coal Washery Grade-IV
- (b) Non-Coking Coal Grade-C

Ninety five rupees only per tonne

##### iv. Group IV Coals :

- (a) Non-Coking Coal Grade-D
- (b) Non-Coking Coal Grade-E

Seventy rupees only per tonne

##### v. Group V Coals :

- (a) Non-Coking Coal Grade-F
- (b) Non-Coking Coal Grade-G
- Lignite

Fifty rupees only per tonne

Two Rupees Fifty Paise Only per tonne

##### vi. Group-VI Coals :

- Coal produced in the State of Andhra Pradesh

Seventy five rupees only per tonne

(B) Rates of Royalty on coal produced in the States of West Bengal and Meghalaya

##### (i) Group I Coals :

- (a) Coking Coal
- Steel Grade-I
- Steel Grade-II
- Washery Grade-I

Seven Rupees only per tonne

- (b) Hand picked coal produced in the State of Meghalaya

One hundred fifty rupees only per tonne

##### (ii) Group II Coals :

- (a) Coking Coal Washery Grade-II
- Coking Coal Washery Grade-III

Six Rupees and fifty paise only per tonne

- (b) Semi-Coking Coal Grade-I
- Semi-Coking Coal Grade-II

Six Rupees and fifty paise only per tonne

(c) Non-Coking Coal Grade-A	Six Rupees and fifty
Non-Coking Coal Grade-B	Paise only per tonne
(d) Ungraded run of Mine coal produced in the States of Meghalaya, Assam and Nagaland	One hundred and twenty rupees only per tonne

**III. Group III Coals :**

(a) Coking Coal Washery Grade-IV	Five rupees and fifty
Non-Coking Coal Grade-C	paise only per tonne

**IV. Group IV Coals :**

(a) Non-Coking Coal Grade-D	Four Rupees and thirty
Non-Coking Coal Grade-E	paise only per tonne

**V. Group V Coals :**

(a) Non-Coking Coal Grade-F	Two rupees and fifty paise only per tonne
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**Capital Adequacy Norms**

\*247 DR. T. SUBBARAMI REDDY Will the Minister of FINANCE be pleased to state

(a) whether the Reserve Bank of India had asked all the public sector banks to submit their working results for 1995-96 indicating their achievements of capital adequacy norms

(b) if so, whether all the banks have since submitted the information

(c) if so, the details thereof, and

(d) the steps taken by the RBI to improve the capital adequacy norms of the banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) (a) Yes, Sir.

(b) and (c) The Capital Adequacy Ratios of the Public Sector Banks, as reported by Reserve Bank of India are given in the attached Statement

(d) Various steps have been taken to strengthen the capital structure of public sector banks to enable them to maintain the prescribed Capital to Risk Weighted Ratio. The measures include the following

(i) Government of India has contributed towards the recapitalisation of nationalised Banks over the last 5 years.

(ii) Seven Public Sector Banks have been allowed to issue bonds through private placement to augment Tier II Capital.

(iii) Two banks were allowed to issue shares to the public.

(iv) It was impressed on the banks that they should strengthen their credit appraisal machinery and exercise close supervision and control over advances as well as recovery of NPAs to improve their financial position.

**STATEMENT**

Sl. No.	Public Sector Banks	Capital Adequacy Ratio as on 31.3.1996
1	STATE BANK OF INDIA	11.60
2	STATE BANK OF BIKANER & JAIPUR	9.81
3	STATE BANK OF HYDERABAD	9.9
4	STATE BANK OF INDORE	8.80
5	STATE BANK OF MYSORE	8.81
6	STATE BANK OF PATIALA	.
7	STATE BANK OF SAURASHTRA	12.38
8	STATE BANK OF TRAVANCORE	9.40
9	ALLAHABAD BANK	.
10	ANDHRA BANK	5.07
11	BANK OF BARODA	11.20
12	BANK OF INDIA	8.40
13	BANK OF MAHARASHTRA	8.49
14	CANARA BANK	10.38
15	CENTRAL BANK OF INDIA	2.63
16	CORPORATION BANK	11.30
17	DENA BANK	8.27
18	INDIAN BANK	.
19	INDIAN OVERSEAS BANK	.
20	ORIENTAL BANK OF COMMERCE	16.99
21	PUNJAB NATIONAL BANK	.
22	PUNJAB AND SIND BANK	.
23	SYNDICATE BANK	8.48
24	UNION BANK OF INDIA	9.50
25	UNITED BANK OF INDIA	3.50
26	UCO BANK	.
27	VIJAYA BANK	NIL

\*Balance Sheet not received

**Foreign Banks**

\*248 SHRI RAJENDRA AGNIHOTRI Will the Minister of FINANCE be pleased to state

(a) the details of branches of foreign banks opened in the country during 1995 and 1996 so far

(b) whether the Government propose to encourage setting up of more branches of foreign banks in the country;

(c) if so, the details thereof and the steps taken in regard thereto so far; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). The details of the branches of foreign banks opened in the country during 1995 and 1996, as reported by RBI, are given below :

SL. NO.	NAME OF THE BANK	PLACE	DATE OF OPENING
<b>1995</b>			
1.	Credit Lyonnais	Ahmedabad	18.2.95
2.*	Development Bank of Singapore	Mumbai	15.3.95
3.	Bank of Bahrain & Kuwait	Hyderabad	25.3.95
4.	Banque Nationale de Paris	Bangalore	05.7.95
5.*	Dresdner Bank	Mumbai	21.8.95
6.	ABN Amro Bank	Madras	15.9.95
7.*	Bank of Ceylon	Madras	30.10.95
8.	Banque Nationale de Paris	Pune	03.7.95
9.	Societe Generale	Bangalore	23.11.95
10.*	Commerczbank	Mumbai	01.12.95
11.*	Siam Commercial Bank	Mumbai	14.12.95
<b>1996</b>			
1.*	Bank International Indonesia	Mumbai	04.4.95
2.*	China Trust Commercial Bank Ltd.	New Delhi	08.4.96
3.*	Arab Bangladesh Bank	Mumbai	06.4.96
4.*	Cho Hung Bank	Mumbai	06.5.96
5.*	Fuzi Bank	Mumbai	20.5.96

\* These banks have opened their first branch in India and are new foreign banks. The others are additional branches opened by foreign banks already operating in India.

Requests from foreign banks for having a presence in India have to be considered taking into account, inter alia, the principles of reciprocity, financial position and soundness of the bank, its branch network across the globe, capital and assets size, international standing of the bank in the country of its incorporation, national

advantage and economic and financial/trade relations between two countries, the system, obtaining in the country on supervision of banks etc.

### Pending Cases

\*249. SHRI R.L.P. VERMA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether a review has been made of the follow-up action taken regarding the recommendations made in the Conference of Chief Ministers and Chief Justices held on December 4, 1993 under the Chairmanship of the then Prime Minister;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the number of new posts of judges created in the courts during each of the last three years, court-wise?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Yes, Sir.

(b) The progress made in the implementation of the recommendations in the Resolution adopted by the Chief Ministers and Chief Justices in their meeting held on 4 December, 1993 was reviewed by the Law Ministers at their Plenary Meetings held in Calcutta on 17 November 1994 and in Hyderabad on 25 November 1995.

(c) Does not arise.

(d) A Statement is attached.

### STATEMENT

Sl.	High Court	No. of new posts agreed to be created			
		1993	1994	1995	1996 (upto 30.6.96)
1	2	3	4	5	6
1.	Allahabad	-	-	-	-
2.	Andhra Pradesh	-	-	-	3
3.	Bombay	-	-	-	-
4.	Calcutta	-	-	-	-
5.	Delhi	-	-	-	-
6.	Gauhati	-	-	-	-
7.	Gujarat	-	6	-	-
8.	Himachal Pradesh	-	-	-	6
9.	Jammu & Kashmir	-	-	-	-
10.	Karnataka	-	-	10	-
11.	Kerala	-	5	-	-
12.	Madhya Pradesh	-	-	-	-
13.	Madras	-	-	10	-

1	2	3	4	5	6
14.	Orissa	-	-	-	-
15.	Patna	-	-	-	-
16.	Punjab	7	-	-	-
17.	Rajasthan	-	-	-	-
18.	Sikkim	-	-	-	-
TOTAL		7	11	20	9

### Balance of Trade

\*250. DR. LAXMINARAYAN PANDEY :  
DR. G. R. SARODE :

Will the Minister of COMMERCE be pleased to state:

(a) the estimated gap between the values of import and export made during 1996-97;

(b) the estimated gap between the first three months of the current year;

(c) whether the main reason for widening of this gap is the import value being more than the export value;

(d) if so, the increase or decrease in the value of imports and exports as compared to that in the corresponding months of the last year; and

(e) the steps taken by the Government to improve the position in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The trade deficit (the gap between value of imports and exports for the current financial year is estimated as US \$ 0.938 billion during April-June 1996, the latest period for which provisional data from DGCI&S is available. As regards the trade gap for the whole of 1996-97, it is expected to be significantly lower than \$4.53 billion recorded during 1995-96

(c) and (d). During April-June 1996 exports have registered a growth of 14.4% in dollar terms while imports have shown a growth of 14.3% over the corresponding period in the previous year.

(e) The key to reducing trade deficit lies in accelerated export growth. Export promotion measures are continuously being taken by the Government through policy and promotional schemes. These include simplification of Export Import Policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation, efforts to actively involve the State Governments in export promotion. Export promotion is a continuing activity based on interaction with industry, trade and other export promotional institutions.

### Tax Exemption to Small Scale Industries

\*251. SHRI BANWARI LAL PUROHIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Small Scale Industries in the country are given exemptions in various taxes, etc; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Under Section 80 HHA of the Income Tax Act, small scale industrial undertakings are allowed a deduction of 20 percent on their profits and gains, subject to the fulfillment of various conditions as laid down in that section. Further, such undertakings are eligible for deductions ranging from 20 to 25 percent under Section 80-I/80IA of the above Act on their profit and gains.

Excise duty exemption is allowed to Small Scale Industries as follows :-

Value of Clearance	Exemption
Upto Rs. 30 lakhs turnover	Full Exemption from excise duty
Above Rs. 30 lakhs turnover, but upto Rs. 50 lakhs	Normal Duty minus 10 per cent subject to a minimum of 5 per cent
Above Rs. 50 lakhs turnover, but upto Rs. 75 lakhs.	Normal duty minus 5 per cent subject to a minimum of 5 per cent.

In addition, certain commodity specific schemes are also available under which excise duty concessions are provided to small scale industrial units manufacturing specific goods.

### Extra Charges By Banks to Compute Easier

\*252. SHRI MANGAL RAM PREMI : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "charging extra to compute easier Banks 'round off' to net Rs. 300 Cr." appearing in the *Economic Times*, New Delhi dated March 18, 1996

(b) if so, the facts thereof.

(c) the reaction of the Government thereto; and

(d) the steps taken to check such unbefitting activities of the banks?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) to (d). On September 2, 1991 Reserve Bank of India (RBI) had advised all Banks that they should pass on the incidence of the interest tax, 'pro-rata' to their borrowers. The Banks were also advised by the RBI to follow a uniform practice in this regard in consultation with the Indian Banks' Association (IBA). The IBA, by a circular dated October 9, 1991 advised their member Banks that the rates of interest might be loaded with the interest tax of 3% and rounded up to the higher 0.25%. The rounding off of interest inclusive of tax to the higher 0.25% is being done by Banks in accordance with the uniform practice worked out by the IBA.

#### Loans from International Financial Institutions

\*253. SHRI PRABHU DAYAL KATHERIA  
SHRI VIJAY GOEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government propose to allow the State Governments to obtain loans/assistance directly from the international financial institutions;

(b) if so, the details thereof;

(c) whether the Asian Development Bank has now initiated the process of direct lending to the individual States; and

(d) if so, the reaction of the Union Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). As per the Constitution of India, foreign loans from International Financial Institutions can only be contracted by the Central Government. The question of allowing State Governments to obtain loans/assistance directly from the international financial institutions, therefore, does not arise.

#### Natural Rubber

\*254. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of natural rubber imported during each of the last three years; and

(b) the details of the policy adopted by the Government for such import?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Total quantity of natural rubber imported during the last three years inclusive of imports against Advance Licence is as follows :

Year	Quantity (in tonnes)
1993-94	21384
1994-95	8531
1995-96	53225 (Provisional)

(b) Decision to import of natural rubber is taken by the Government after considering the gap between demand and domestic availability, international and domestic prices and the interests of growers and industrial consumers of the commodity.

[Translation]

#### World Bank Loan at Concessional Rate

\*255. SHRI CHUN CHUN PRASAD YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank has expressed its inability for providing loans at concessional rates to the Union Government; and

(b) if so, the details thereof?

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

(b) Does not arise.

#### Restructuring of FIPB

\*256. SHRI SARAT PATTANAYAK : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to restructure Foreign Investment Promotion Board; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Yes, Sir. The Government have, with effect from 11th July, 1996 reconstituted the Foreign Investment Promotion Board (FIPB) to invite and facilitate investment in India by international companies in projects which are considered to be of benefit to the Indian economy. There will now be only one Secretariat to FIPB to consider Foreign Investment Proposals to be located in the Department of Industrial Policy & Promotion, which would receive and process the application for presenting before the FIPB. The FIPB recommendations in respect of project proposals each involving a total investment of Rs. 600 crores or less would be considered and approved by the Industry Minister. For cases involving investment of above Rs. 600 crores, FIPB's recommendations would be submitted to the Cabinet Committee on Foreign Investment (CCFI) for decision. Under the revised procedures, the objective is to reduce delays and provide greater transparency in the approval process.

[Translation]

### Company Tax

\*257. SHRI NITISH KUMAR :  
PROF. PREM SINGH CHANDUMAJRA :

Will the Minister of FINANCE be pleased to state :

(a) the comparative rate of tax being levied on companies in India and in other developing countries of the world;

(b) whether inspite of the higher rate of company tax, surcharge is also levied in India on the companies, and

(c) if so, the details of such tax structure and the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) As against the proposed new tax rate of 4% in the case of domestic companies (including surcharge at the rate of 7.5%), as per the information available, the corporate tax rates in some of the developing countries are as under :

NAME OF THE COUNTRY	TAX RATE FOR DOMESTIC COMPANIES(%)
1. Guyana	45
2. Barbados	40
3. Malawi	45
4. Kenya	35
5. Myanmar	30
6. Jamaica	33%
7. Malaysia	30
8. Malta	35
9. Mauritius	35
10. Nigeria	35
11. Sri Lanka	35

(b) and (c) Surcharge was initially imposed at the rate of 5% of income-tax to meet the after-effects of the drought of 1987-88 and was thereafter increased from time to time to 15% to mobilise resources. However, Finance (No.2) Bill, 1996, proposes to reduce the surcharge to 7.5% of the income-tax in the case of domestic companies having income exceeding Rs. 75,000/-. Foreign companies will continue to remain outside the purview of surcharge.

### Coal Industry

\*258. DR. MAHADEEPAK SINGH SHAKYA : Will the Minister of COAL be pleased to state :

(a) whether the Government have recently formulated a scheme for the development of the coal industry as a result of which the Coal India Limited is likely to earn a profit of worth Rs. fifteen crores in 1996-97;

(b) if so, the details thereof; and

(c) the sources identified for earning the profit?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Government have recently introduced a scheme for strengthening the financial base of Coal India Limited (CIL) and to increase its capacity to produce coal efficiently. As a result of all these decisions CIL is likely to earn a reasonable profit in the year 1996-97.

(b) The details of the scheme are as under :

(i) Moratorium on the interest-free non-plan loan of Rs. 432.64 crores as on 31.3.1992 for three years i.e. upto 1998-99 and repayment of the amount in three equal annual instalments thereafter with usual interest.

(ii) Conversion of outstanding plan loan of Rs. 904.18 crores as on 31.3.1992 into non-cumulative 10% preference shares redeemable in the year 2003-04.

(iii) Waiver of overdue interest (non-plan loans) of Rs. 891.75 crores and penal interest accruing since 1.4.1995.

(iv) Allowing Western Coalfields Limited, a CIL subsidiary, to charge grade prices of coal notified for Singareni Collieries Company Limited.

(v) Deregulation of prices and distribution of coking coal and A, B and C Grades of non-coking coal.

(c) The cumulative effect of the above measures will be to strengthen the financial base of CIL and as a consequence, its profit will increase by way of improvement in underground capacity utilisation, increase in output per man-shift, improvement in utilisation of the new capacity which will be created and finally, by enhancement in the prices of coking coal and A, B & C grades of non-coking coal.

[English]

### Duty Free Import Quota System

\*259. SHRI ANANTH KUMAR : Will the Minister of TEXTILES be pleased to state :

(a) whether the introduction of duty free import quota system under the generalised system of preferences by the European Union for Jute goods is likely to benefit the Indian Jute Industry

(b) if so, the details thereof, and

(c) if not, the steps taken by the Government to protect interests of Indian Jute Industry?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA) :

(a) Yes, Sir.

(b) and (c) The zero duty access of Indian Jute goods under the Generalised System of Preferences (GSP) will help maintain competitiveness of exports of Indian Jute goods to the European Union, and thus also be beneficial to the Indian Jute industry. As a result of India having officially taken up the matter with the

European Commission, the latter agreed to restore zero duty access to Indian jute goods retrospectively from 1.7.1995. This has considerably improved access of Indian Jute goods into the European Union market.

[Translation]

### Export of Cotton

\*260. SHRI DEVI BUX SINGH :  
DR. G.L. KANAUIA :

Will the Minister of TEXTILES be pleased to state :

- (a) the quantum of cotton exported during 1995-96;
- (b) whether the Government propose to make changes in the cotton export policy and withdraw restrictions from the export of cotton;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the target set for export of cotton during 1996-97; and
- (e) the steps taken to achieve the target?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) Including spillover shipments, about 5.57 lakh bales of cotton is reported to have been exported till 18.7.1996 during the 1995-96 season.

(b) and (c) Export of cotton is regulated and is subject to quantitative restrictions announced by the Ministry of Textiles. Government releases export quota for raw cotton from time to time after assessing production, demand, supply, prices etc. with a view to ensuring that, while on the one hand cotton growers received remunerative prices, on the other the consuming sector, particularly decentralised handloom and powerloom weavers are also able to procure their supplies at fair prices. Removal of quantitative restrictions on the export of cotton from the country is not being contemplated at present.

(d) and (e). The quantity of cotton allowed for export is announced in any cotton year after taking into account all relevant factors and after reliable estimates are available of the crop size, cotton availability, likely demand, etc. The 1996-97 cotton season will commence only from 1st September, 1996, and no quota for export has been announced for 1996-97 so far.

### Construction of Court Buildings

1886. SHRI RAM NAIK : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether the Union Government provides 50 percent Central assistance for construction of court buildings, residential accommodation etc.;
- (b) whether the government have not provided its share to various states during last three years;
- (c) if so, the details thereof, State-wise; and
- (d) the reasons for delay and time bound programme to pay the arrears in full?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) :

(a) The centrally sponsored scheme for the development of infrastructural facilities for the judiciary introduced from 1993-94 is aimed at supplementing the efforts of the State Governments and is confined to construction of Court Buildings and residences for the Judges. While the Central allocation is dependent on the budget allocation provided for the scheme by the Planning Commission, the States are required to come forward with a matching provision to take advantage of this scheme.

(b) No, Sir, full Central Share has been provided to the eligible States.

(c) A Statement is enclosed.

### STATEMENT

Sl.	Name of the State	1993-94	1994-95	1995-96	Total
1	2	3	4	5	6
1.	Andhra Pradesh	221.20	439.98	369.40	1030.58
2.	Arunachal Pradesh	20.00	14.00	34.00	68.00
3.	Assam	79.80	156.89	153.52	390.21
4.	Bihar	174.90	147.00	334.79	656.69
5.	Goa	20.00	34.00	34.00	88.00
6.	Gujarat	100.80	197.45	193.28	491.53
7.	Haryana	47.90	94.14	92.21	234.25



1	2	3	4	5	6
8.	Himachal Pradesh	20.00	34.00	71.50	125.50
9.	Jammu & Kashmir	20.00	34.00	71.50	125.50
10.	Karnataka	146.70	286.72	304.23	737.65
11.	Kerala	94.90	140.00	186.98	421.88
12.	Madhya Pradesh	179.90	351.67	344.24	875.98
13.	Maharashtra	193.80	377.35	369.41	940.56
14.	Mizoram	20.00	34.00	34.00	88.00
15.	Manipur	20.00	34.00	34.00	88.00
16.	Meghalaya	20.00	17.00	Nil	37.00
17.	Nagaland	20.00	17.00	71.50	108.50
18.	Orissa	114.80	224.30	219.50	558.60
19.	Punjab	50.90	100.87	98.74	250.51
20.	Rajasthan	138.70	270.90	265.32	674.92
21.	Sikkim	20.00	Nil	71.50	91.50
22.	Tamil Nadu	193.60	379.45	371.51	944.56
23.	Tripura	20.00	34.00	34.00	88.00
24.	West Bengal	288.60	243.00	Nil	531.60
25.	Uttar Pradesh	430.50	841.28	892.87	2164.65

(d) does not arise.

#### Pending Projects of Delhi

1887. SHRI JAI PRAKASH AGARWAL: Will the Minister of INDUSTRY be pleased to state :

(a) whether some industrial projects pertaining to the National Capital Territory of Delhi are pending for clearance;

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

(c) the estimated cost of these projects;

(d) the reasons for delay in taking decision on these projects; and

(e) by when the decision is likely to be taken on these projects?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (e). In terms of Ministry of Urban Development Notification No. S.O.606(E) dated 1.8.1990, there is a ban on setting up of medium and large projects in the territory of Delhi. Decision on grant of industrial licence are guided inter-alia by State/Central locational policy.

However, one industrial licence application for setting up of an industrial unit in the National Capital

Territory of Delhi for the manufacture of readymade garments has been received in June, 1996 and the same is within the stipulated time limit of disposal. The proposed investment in fixed assets in the above proposal amounts to Rs. 88 lakhs.

[English]

#### Inflation Rate

1888. SHRI KACHARU BHARU RAUT :  
SHRI DATTA MEGHE :  
SHRI R. SAMBASIVA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have calculated the inflation rate in the context of present hike in Petroleum products;

(b) whether this inflation is likely to have adversely effects on essential commodities and the people living under poverty line as well as common people;

(c) if so, the percentage of hike on day to day commodities; and

(d) the steps taken by the Government to check the price rise of essential commodities and to contain the inflation rate?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The recent hike in the price of petroleum products is likely to result in a one time jump in the rate of inflation by about 1.2 per cent.

In spite of the compulsion of reducing the deficit in the oil Pool Account, the Government has taken a conscious decision to protect the household by keeping the price of kerosene unchanged. Even in the case of LPG which is used by relatively better off sections of society, it has been decided to keep LPG price relatively lower than the price charged by the parallel marketeers.

(c) It is yet too early to assess the impact of recent price hike of petroleum products on each of the 30 essential commodities.

(d) The important steps contemplated by the Government to contain price rise in essential commodities are :

1. continuation of open market sale by FCI of rice and wheat.
2. continuing CGL import policy for selected essential commodities such as sugar, edible oils, pulses and low fat milk powder at nil or reduced duty. Import duty on edible oils reduced to 20%.
3. Import of edible oils on Government account for supply through PDS
4. strive to control fiscal deficit to 5 per cent of GDP.
5. containing monetary growth to a reasonable level.
6. maintaining a liberal import policy, combined with reduction in import duties for most of the commodities.
7. reduction in excise duties in some of the consumer goods.

#### Export of Coir Products

1889. SHRI MULLAPPALLY RAMACHANDRAN Will the Minister of INDUSTRY be pleased to state :

(a) the details of export of coir products made during 1994-95 and 1995-96, and

(b) the target fixed for export of coir products during the current year?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a)

YEAR	QUANTITY (tonnes)	VALUE (Rs. in crores)
1994-95	48086	171.64
1995-96	48276	206.85

(b) The target fixed for export of coir products during 1996-97 is US\$ 60 million (Rs. 211.00 crores).

#### Succession Problem of Share

1890. SHRIMATI JAYAWANTI NAVIN CHANDRA MEHTA : Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) whether the Government are aware of succession problem of shares and debentures in the absence of nomination clause;

(b) if so, whether the Government propose to add nomination clause in the securities proforma and

(c) if not, the remedial steps being taken or proposed to be taken to facilitate succession of securities?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) Yes, Sir.

(b) Yes, Sir.

(c) Does not arise in view of the answer to part (b) above.

#### Implementation of Nayak Committee Report

1891. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state

(a) whether the small scale industries associations have sought the immediate implementation of the Nayak Committee Report

(b) if so, the decision taken by the Government thereon, and

(c) the details of the recommendations made by the Nayak panel and those which have not been implemented so far alongwith the reasons therefor

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) and (c) The Reserve Bank of India (RBI) has reported that almost all the major recommendations of Nayak Committee have been accepted by it and necessary guidelines/instructions issued to banks. The guidelines/instructions issued by RBI to scheduled commercial banks, include the following

- (i) to grant working capital credit limits to small scale industrial (SSI) units computed on the basis of a minimum of 20% of their projected annual turnover to the SSIs whose credit limit in individual cases is less than Rs. one crore.
- (ii) to give preference to village industries, tiny industries and other small scale units in that order while meeting the credit requirements of the SSI sector.

- (iii) to prepare annual budget on the 'bottom up' basis to ensure that the legitimate requirements of SSI sector are met in full during the VIII Five Year Plan period.
- (iv) to extend the 'Single Window Scheme' of Small Industries Development Bank of India (SIDBI) to all districts.
- (v) to ensure that there should not be any delay in sanctioning and disbursement of credit to SSI sector.
- (vi) banks should not insist on compulsory deposits as a 'quid pro quo' for sanctioning the credit limits.
- (vii) to open specialised SSI branches or convert those branches which have a fairly large number of SSI borrowal accounts into specialised branches.
- (viii) potentially viable sick units should be identified and urgent action should be taken to put them on the nursing programme.
- (ix) the standardised loan application forms to be used by SSI units for applying for loans should be further simplified.

RBI has further reported that such of the recommendations which were not found practicable have not been accepted.

#### Production of Coal

1892 SHRI SANDIPAN THORAT  
SHRI PRAMOD MAHAJAN

Will the Minister of COAL be pleased to state

(a) whether coal production in the country is not keeping pace with the demand resulting in increasing import of coal over the last three years.

(b) if so, the details of coal produced and imported during the last three years, year-wise along with projected demand and supply of coal and likely import during next five years, and

(c) the specific steps taken/proposed to be taken to reduce import of high grade coal by producing more coal to meet the growing requirement?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) There has been significant growth of coal production in the country. Year-wise quantity of coal produced (all India) during the last three years was as under

(in million tonnes)

1993-94	246.04
1994-95	253.73
1995-96	270.12

The total import of coal (including coke etc.) into the country, as per the statistics available in the Directorate General of Commercial Intelligence and Statistics during the last three years was as follows:

Year	Total Imports of coal including coke etc (in million tonnes)
1993-94	7.5
1994-95	11.4
1995-96	13.2

The overall demand for coal for the year 1996-97 has been assessed at 325 million tonnes whereas the availability of coal from indigenous sources is projected at 290.65 million tonnes. The demand projections for Ninth Plan period i.e. 1997-2002, have not been firmed up. However, the Planning Commission has constituted a Working Group on Coal and Lignite to prepare an approach paper for the Ninth Plan. The provisional report of this Working Group indicates that in the year 2001-02 the supply of coal would be 348 m.t. from all indigenous sources excluding the captive mining blocks which are expected to come up in the private sector.

(c) Import of coking coal required for metallurgical purposes cannot be totally eliminated, since these are also required for blending with indigenous coal on quality considerations. The country also has limited reserves of coking coal as well as the superior grades of non-coking coals. However, steps are being taken to augment indigenous production of coking coal as well as non-coking coals to the extent practicable. These include the following:

- (i) Opening up of new mines and increasing efficiency and productivity in existing mines by modernisation, application of new technologies and ensuring timely availability of inputs and infrastructural facilities.
- (ii) Partial de-regulation of coal prices is likely to improve internal resource generation of coal companies which will enable new projects to be taken up. It will also improve the financial viability of new mining projects.
- (iii) The capital base of Coal India Limited has been restructured to enable it to raise additional financial resources from the capital markets which are required to add new coal production capacity.
- (iv) Steps are being taken in co-ordination with the Railways to remove the transportation bottlenecks in such coalfield areas which have potential for enhanced production.
- (v) Steps are being taken to remove the bottlenecks in land acquisition.
- (vi) Private sector companies engaged in production of iron and steel, cement and

generation of power have been permitted to take up coal mining. This is expected to increase domestic coal production.

#### Stockinvest Abused by Promoters

1893. SHRI MANGAL RAM PREMI :  
SHRI R.L.P. VERMA :

Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No.1023 dated March 8, 1996 regarding "stockinvest abused by promoters" and state:

(a) whether the information has since been collected

(b) if so, the details thereof : and

(c) the action proposed by the Government to take against the erring banks, both public sector as well as private sector, responsible for not carrying out the instructions of the RBI?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P.CHIDAMBARAM) : (a) to (c). The information is being collected and will be laid on the Table of the House.

#### Manufacturing of Cars

1894. SHRI N.S.V. CHITTHAN : Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal to manufacture car in Tamil Nadu with foreign collaboration;

(b) if so, the details thereof;

(c) whether its impact on existing Indian manufacturers and production of cars have been examined; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). Yes, Sir. The joint venture of Mahindra and Mahindra with Ford Motors of USA and a 100% Subsidiary Unit of Hyundai of Korea have selected Tamil Nadu for setting up their car manufacturing facilities.

(c) and (d) Manufacture of cars has been delicensed with effect from September, 1993. There is thus presently no restriction on creation of additional capacities by existing units or setting up new units. It is expected that this would result in competition, improvement in technology and promote exports.

#### Social Security Funds for Group Insurance Schemes

1895. SHRI SANAT MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have provided a Social Security Fund of Rs.100 crores to Life Insurance

Corporation for subsidising the social security measures like Group Insurance Schemes:

(b) if so, the number of agricultural labourers and small artisans covered under these schemes so far; and

(c) the details of the monitoring system of these schemes?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P.CHIDAMBARAM) : (a) Yes, Sir.

(b) As on 31.3.1996 about 1.2 crore landless agricultural labourers have been covered under the Landless Agricultural Labourers Group Insurance Scheme of LIC, subsidised from the Social Security Fund. Besides, about 40 lakh people belonging to different occupations (statement attached) have been covered under the Social Security Group Insurance Scheme of LIC, which is also subsidised from the Social Security Fund.

(c) LIC have reported that the claims under the Landless Agricultural Labourers Group Insurance (LALGI) Scheme are lodged by the Block Level Officers or District Rural Development Agency or any other Department authorised by the State Government. The claims under the other Social Security Group Insurance Schemes are lodged by the concerned Nodal agencies. The settlement of claims is reviewed at the Block, District and State level Review Meetings, which are attended by the officials of the State Government and the Life Insurance Corporation of India.

#### STATEMENT

S.No.	Occupation	Total Number of Lives (covered as on 31.3.1996)
1	2	3
1.	Beedi Workers	8,59,994
2.	Brick Kiln Workers	0
3.	Carpenters	0
4.	Cobblers	42
5.	Fishermen	65,729
6.	Hamals	24,074
7.	Handicapped Artisans	18,712
8.	Handloom Weavers	1,60,892
9.	Handloom & Khadi Weavers	4,563
10.	Lady Tailors	16,258
11.	Leather & Tannery Workers	589
12.	Papad Workers attached to SEWA	15,105

1	2	3
13.	Physically Handicapped self-employed	1.765
14.	Primary Milk Producers	2.95.001
15.	Rickshaw Pullers/Auto Drivers	41.504
16.	Safai Karamcharis	14.456
17.	Salt Growers	45.801
18.	Tendu Leaf Collectors	21.20.499
19.	Scheme for Urban Poor	1.32.454
20.	Forest Workers	1.47.519
21.	Sericulture	221
22.	Toddy Tappers	526
23.	Powerloom Workers	0
TOTAL		39.65.704

#### Industrial Alcohol

1896. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Union Government have worked out any scheme to rationalise levies and duties imposed on the various State Governments on industrial alcohol particularly in the State of Maharashtra.

(b) if so, the details thereof.

(c) whether molasses from Khandasari units is likely to be utilised for increasing the supply of industrial alcohol, and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Government formulates its policies and schemes regarding levies and duties to be imposed on various items of manufacture including industrial alcohol which are incorporated in the Annual Budget

(c) and (d) the Central Government does not regulate distribution of molasses, including Khandasari molasses, after rescinding the Molasses Control Order, 1961 on 10th June, 1993

#### Utilization of the Services of Retired Judges

1897. SHRI SOUMYA RANJAN : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government propose to utilise the services of retired Supreme Court/High Court Judges to reduce the pendency of cases in Supreme Court and High Courts;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c). The Government has not favoured the appointment of retired Judges in the Supreme Court and the High Courts.

#### Employment on Fake SC/ST Certificates in Banks

1898. SHRI RAJIV PRATAP RUDY : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that several hundred non-SC/ST candidates are in employment in nationalised banks all over the country by producing fake caste certificates;

(b) if so, the number of such cases detected during the last three years, bank-wise;

(c) the action taken or proposed to be taken against such candidates; and

(d) the steps taken to prevent such incidents in future?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). The information is being collected and will be laid on the Table of the House

[Translation]

#### Joint Venture between Indo-Japan

1899. DR. SAHEBRAO SUKRAM BAGUL : Will the Minister of INDUSTRY be pleased to state :

(a) whether any discussion regarding joint venture between the Union Government and Suzuki Motor Corporation was held recently; and

(b) if so, the details of the outcome of talks and the action taken by the Union Government thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) (a) Yes, Sir. Discussions between the Industry Minister and Mr. O. Suzuki, President, Suzuki Motor Corporation were held on 4th and 5th July, 1996.

(b) The discussions resolved to the satisfaction of both parties, the approach to be taken on several issues such as the broad parameters for expansion, transfer of technology etc. of Maruti Udyog Limited.

[English]

#### Impact of Price Rise on Foreign Debt

1900. SHRI SUSHIL CHANDRA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that the recent hike in power tariffs by many States and the steep increase in the prices of petroleum products by

the Union Government are going to make the cost of living for the average citizen higher by at least 20% as against a rise of 1.2% in W.P.I. estimated by the Government:

(b) if so, whether the Government made any realistic estimate of the consequential effects of these hikes on the country's balance of payments positions and foreign exchange reserves; and

(c) the steps the Government take to ensure that imports hereafter would not be costlier and international competition for country's exporters less difficult.

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) The extent of increase in the cost of living will depend on many factors like intensity of use of power and petroleum products in other products as inputs, the increase in productivity in these sectors, extent of subsidy and the overall stance of monetary policy etc. Increased energy efficiency will also contain the increase in the cost of living.

The recent increase in the prices of petroleum products, however, is anticipated by the Ministry of Petroleum to directly result in a one-time jump in the cost of living of around 1 per cent. Furthermore, during the period from July 7, 1995 to July 6, 1996, the rise in the price of electricity contributed less than one half of a percentage point to the overall point to point inflation of 4.4 per cent.

(b) The long overdue upward revision in domestic administered prices of petroleum products will reduce the overall subsidy on such products, promote energy conservation and dampen the demand for such products. This will help in containing the build up of unsustainable pressure from petroleum products on the balance of payments and our foreign exchange reserve.

(c) Costs of imports in foreign exchange depend and will continue to depend upon international prices.

International competitiveness of our exports depends upon the real exchange rate of the Rupee vis-a-vis the currencies of our trade partners. Although the exchange rate is market determined, the overall stance of policies is geared towards maintaining the competitiveness of India's exports. Various export promotion measures also strengthen our competitiveness. Furthermore, the RBI intervenes in the Foreign Exchange market to maintain orderly market conditions.

#### Policy on Tobacco Industry

1901. SHRI R. SAMBASIVA RAO : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to make a new policy on Tobacco;

(b) if so, the details thereof;

(c) whether the Government also propose to invite in views of multinational manufacturers of the aforesaid industry; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BÖLLA BULLI RAMAIAH):

(a) No, Sir.

(b) to (d) Does not arise.

[Translation]

#### Foreign Investment

1902. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of INDUSTRY be pleased to state :

(a) the total capital investment in the country after liberalisation and out of it how much of it went into the production of consumer goods;

(b) the present stand of the Government in this regard;

(c) whether any estimate of its effect on the people and industry of the country has been made by the Government; and

(d) whether the Government will restrict foreign investment into the areas where the domestic industry is not competitive so that no harm is caused to small and medium scale industries?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d). The gross capital investment has increased from Rs. 1,44,024 crores in 1991-92 to Rs. 2,38,410 crores in 1994-95. During the period from 1.8.91 to 31.05.96, Rs. 71,036.68 crores of foreign direct investment including in consumer goods sector have been approved by the Government. Under the Policy governing foreign investment, 22 specified consumer sectors invite the condition of dividend balancing i.e. repatriation of profits (dividends) over 7 years period must be balanced by export earning.

There is provision for reservation of more than 800 items for small scale sector. If a non-small sector unit wants to manufacture items reserved for small scale sector they have to undertake an export obligation of 75%.

[English]

#### Decline in Export of Traditional Items

1903. SHRI RAMESH CHENNITHALA : Will the Minister of COMMERCE be pleased to state :

(a) whether the export of traditional items like cashew, coir products, spices and other agricultural products has declined both in volume as well as in value terms during the last three years;

(b) if so, the details thereof, year-wise;

(c) whether any steps have been taken to explore new markets for these products; and

(d) if so, the details thereof and the achievements made so far?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Details of exports of cashew, coir products, spices and other agricultural products for the last three years are given in Statement.

#### STATEMENT

(Qty. in tonnes)

(Value in US\$ Million)

	1993-94		1994-95		1995-96	
	Qty.	Value	Qty.	Value	Qty.	Value
1. Cashew	68968	333.27	76897	396.40	97792	368.06
2. Spices	185082	181.38	154954	194.99	211515	234.96
3. Other Agricultural Products	-	1981.19	-	1802.27	-	3587.42
4. Coir & Coir Mfcs	-	41.41	-	55.02	-	62.94

Sources: DGCI&S, Calcutta

#### Survey for Rubber Plantation in NE Region

1904. DR. PRABIN CHANDRA SARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Rubber Board has conducted any survey for rubber plantation in the North-Eastern region;

(b) if so, the details thereof; and

(c) the action taken by the Government for the development of rubber plantation in the region?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b) Yes, Sir. Rubber Board had conducted an exploratory survey to assess the area available for rubber plantations in the North-Eastern Region. As per the survey, 4.5 lakh hectares are available for rubber cultivation, details of which state-wise, are given below:

(in ha.)

State	Area Available
Assam	200000
Tripura	100000
Meghalaya	50000
Other N.E. States	50000
Total	450000

(c) and (d). There has been enhanced exports of non-traditional items such as floriculture products, fresh fruits and vegetables, processed fruits and juices and meat preparations to new destinations in Middle East Countries, Western Europe and Japan. Steps taken to explore new markets for Indian agricultural products include brand promotion campaigns, arranging buyer-seller meets, sending sales-cum-study teams and participation in the international fairs/exhibitions.

(c) In order to promote rubber plantation in the North Eastern region, Government had approved in 1984 a scheme for accelerated Development of rubber plantation for North-East. The area under rubber in this region was 9,250 ha in 1984-85 which has expanded to 35,000 ha now. Rubber Board has reoriented some of its schemes to suit to the special needs of the North-East and also has introduced special schemes for re-settlement of shifting cultivators. In the year 1993-94, a World Bank assisted Rubber Project has also been taken up in this region to develop 6,000 ha of additional area for plantation under rubber and 13,050 ha for re-plantation by 1997-98.

[Translation]

#### Shortage of Stamp Paper

1905. SHRI BHIMRAO VISHNUJI BADADE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the shortage of stamp paper of the value of rupees five and ten in the country;

(b) if so, the reasons therefor; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). In view of the capacity constraints, the existing two Security Printing Presses at Nasik and Hyderabad have

not been able to fully meet the sudden spurt in the demand of Non Judicial stamp papers in the country. However, steps have already been initiated to augment the existing production capacity.

[English]

#### **Training to Vocational Students of G.I.C.**

1906. SHRI BHUPINDER SINGH HOODA: Will the Minister of FINANCE be pleased to state:

(a) whether the General Insurance Corporation has since given the apprenticeship training to those vocational students who had passed XII class with GIC subjects during 1994;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the time by which the next batch of students of 1995 are likely to be called for apprenticeship training?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). Yes, Sir. The students who passed out 10+2 General Insurance Vocational Course in 1994, satisfying prescribed norms, have been appointed as Apprentice Assistants. On completion of 1-year Apprenticeship Training, they will be eligible for appointment as Assistants in GIC and its subsidiaries.

(d) There is no job guarantee for the 1995 batch under the revised Scheme. However, successful candidates will be treated as meeting the educational standards laid down for recruitment as 'Assistants' and would be considered eligible for selection along with general category candidates as per the recruitment procedure, as and when recruitment takes place.

#### **Job Workers to Enlist Voters' List**

1907. KUMARI MAMATA BANERJEE: Will the Minister of LAW AND JUSTICE be pleased to state

(a) whether thousands of young people are employed as job workers to enlist voters' list every year and they are working in the same conditions for years together;

(b) if so, whether the Government propose to absorb these workers as permanent workers so that they could settle in life; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c). The information is being collected and will be laid on the Table of the House.

#### **'Checked in Baggage' in Indira Gandhi International Airport**

1908. DR. M.P. JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether 'checked-in-baggage' at the Indira Gandhi International Airport is not being put through x-ray machine; and

(b) if so, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) On the arrival side, generally, checked in baggage, brought by flights originating from sensitive places, is subjected to X-ray. As regards such baggage brought by flights coming from non-sensitive areas, it is X-rayed but only on a random selection basis.

On the departure side, however, baggage items are generally subjected to X-ray by the airlines, if security considerations so require.

#### **Settlement of Disputes Between Indian and Foreign Companies**

1909. SHRI JAGAT VIR SINGH DRONA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to set up a separate arbitration authority to ensure an early settlement of disputes between Indian and foreign companies;

(b) if so, the details thereof; and

(c) when a final decision is likely to be taken in this matter?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM):

(a) No, Sir.

(b) and (c) Do not arise.

#### **States' Share of Equity in R.R.Bs**

1910. SHRI HARIN PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government have since contributed their shares of equity towards the selected Regional Rural Banks;

(b) if so, the details thereof; and

(c) if not, the steps taken to ensure such participation?



THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). The information is being collected and will be laid on the Table of the House.

#### Exchange Control Violation by S.B.I.

1911. DR. Y.S. RAJASEKHARA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of India (SBI) has completed its internal enquiry to find whether there are some more cases of exchange control violations by its branches like the one committed by the National Fertilizers Ltd. (NFL) in urea purchase deal;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). State Bank of India (SBI) have reported that so far certain remittances for advance payments against imports made by SBI branches without bank guarantee or prior approval of Reserve Bank of India (RBI) has come to notice in respect of 13 branches of SBI. The bank has instructed all these branches to initiate immediate action for obtaining ex-post-facto approval of RBI for the remittances effected by them.

#### Economic Growth

1912. SHRI SONTOSH MOHAN DEV : Will the Minister of FINANCE be pleased to state :

(a) whether the ways of faster economic growth have since been found out; and

(b) if so, the details thereof and the steps being taken to implement them?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The various economic reform measures such as trade liberalisation, deregulation of industry, fiscal and financial sector reforms over the last five years has led to revival of economic growth. The growth in real gross domestic product (GDP) at factor cost accelerated to 6.3 per cent in 1994-95 and further to 7 per cent in 1995-96.

#### Smuggling of Rice

1913. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the smuggling of rice in a large scale from Orissa to Bangladesh; and

(b) if so, the action taken by the Government to stop such smuggling?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No instance of smuggling of rice from Orissa to Bangladesh has been reported to the Government.

(b) Does not arise in view of 'a' above.

#### Family Courts

1914. SHRI KRISHAN LAL SHARMA : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of family courts set up under the Family Courts Act, 1984 in the country so far, State-wise;

(b) the reasons for the delay in setting up of these courts where they do not exist; and

(c) the time by which these courts are likely to be set up in all the States?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) A Statement is attached.

(b) and (c) Family Courts Act, 1984 is an enabling Act. The responsibility for setting up of Family Courts lies with the concerned State Government. Hence, it is not possible to indicate the time by which these courts would be set up in all the States.

#### STATEMENT

*Number of Family Courts set up under the Family Courts Act, 1984 in various States/UTs.*

Sl. No.	Name of the State/UT	Number of Family Courts set up
1.	Andhra Pradesh	6
2.	Assam	1
3.	Bihar	2
4.	Karnataka	4
5.	Kerala	5
6.	Maharashtra	13
7.	Manipur	1
8.	Orissa	2
9.	Rajasthan	5
10.	Uttar Pradesh	16
11.	Tamil Nadu	5
12.	Pondicherry (UT)	1

#### Development Work by CCL

1915. SHRI R.L.P. VERMA : Will the Minister of COAL be pleased to state :

(a) the development works undertaken by the Giridih Coal fields of Central Coalfields Ltd. during the last three years within the five kms. periphery of coalfields;

(b) the percentage of gross revenue spent for community development along with the percentage fixed by the Government; and

(c) the steps taken by the Government to provide more funds for the development of this area?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Different works relating to Community Development undertaken in the Giridih Coalfields of CCL during last three years within the 8 kms. periphery of coalfields are spread over education, health care, drinking water etc.

(b) The percentage of actual expenditure on Community Development works during last three years is 0.3% of the revenue earning by CCL during the said period i.e. 1993-94 to 1995-96. No percentages are fixed by the Government for such works.

(c) Since the actual expenditure has been less than the budgetary allocation the question of providing more funds does not arise at this stage.

#### Credit Cards

1916. SHRI ANAND RATNA MAURYA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received complaints that Foreign Banks are charging exorbitant rates of interest on the credit cards availed by the users;

(b) whether the Government are aware that the victims of their trap are mostly low paid Government employees and other needy workers of private organisations;

(c) whether the Government propose to conduct any survey to ensure their fair functioning at the cost of poor people of this country; and

(d) whether the Government also propose to provide a better and cheaper alternative to these people?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) to (c). Reserve Bank of India (RBI) has reported that it has received a few complaints regarding high interest rate being charged by foreign banks in relation to credit card operations.

RBI has further intimated that interest is levied by banks when the card holder fails to make payment of his bills of the credit cards, by the due dates.

Further, since the customer is expected to be aware of the terms and conditions, before enrolling as a credit card holder, RBI does not intervene in such matters

(d) No Sir.

#### Sale of Coal

1917. SHRI CHUN CHUN PRASAD YADAV : Will the Minister of COAL be pleased to state :

(a) whether the Government have stopped the local sale of coal from Lalmatiya Coal Mines of Rajmahal Coal Project in the Godda district of Bihar; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). No, Sir. According to the information received from Coal India Limited, coal from Lalmatia Coal mines of Rajmahal group of mines in Godda district of Bihar continue to be sold under Liberalised Sales Scheme (modified).

#### Prices of Coal

1918. SHRI ANANTH KUMAR :  
DR. RAMKRISHNA KUSMARIA :

Will the Minister of COAL be pleased to state :

(a) whether the Government propose to allow public sector coal companies to set up their own price lists for different varieties of coal;

(b) if so, the details thereof; and

(c) the time by which the proposal is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c). Pricing and distribution of coking coal and A, B & C grades of non-coking coal have been deregulated by the Central Govt. w.e.f. 22.3.1996. Following this, the Coal India Limited (CIL) have fixed the prices of coking coal and A, B & C grades of non-coking coal w.e.f. 31.3.1996. Singareni Collieries Company Limited (SCCL) have fixed the prices of B & C grades of non-coking coal w.e.f. 19.4.1996. SCCL does not produce coking coal and A grade of non-coking coal.

Non-coking coal of D, E, F & G grades still continue to be regulated by the Government.

#### Theft of Coal

1919. SHRI DEVI BUX SINGH :  
SHRI RADHAMOHAN SINGH :  
SHRI ANAND RATNA MAURYA :

Will the Minister of COAL be pleased to state:

(a) whether theft of a large quantity of coal is continuing from different collieries of the country particularly from Bihar and Western Coalfields of Coal India Ltd., for a long time, consequently the Government is suffering annual loss of lakhs of rupees;

(b) if so, the number of cases of such theft came to notice during the last three years, State-wise; and

(c) the steps being taken to check the theft of coal?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) :

(a) and (b). According to information furnished by Coal India Ltd., the reports of theft of coal as detected, from time to time, by security personnel deployed by the coal companies have come to notice of the management. The details of such cases during the last three years, State-wise are as follows:

State	Years		
	1993-94	1994-95	1995-96
Bihar	262	211	206
West Bengal	2412	1843	1371
Madhya Pradesh	17	28	15
Maharashtra	2	2	4
Orissa	20	10	12
Assam	-	2	-
Total	2713	2096	1608

(c) The steps taken to check the theft of coal are:

1. Construction/erection of fencing wall around the coal stocks;
2. Installation of check posts on the main roads leading to collieries;
3. Installation of watch towers and providing lighting arrangements around the coal stocking areas;
4. Collection of intelligence;
5. Surprise checks alongwith local police and colliery security personnel;
6. Round the clock patrolling by colliery security personnel;
7. Meeting with district authorities for drawing out plan to eliminate the menace; and
8. Lodging of FIRs with local police.

#### Supply of Coal

1920. SHRI MAHENDRA SINGH BHATI :

SHRI GIRDHARI LAL BHARGAVA :

Will the Minister of COAL be pleased to state :

(a) the quantity of coal required by the State Government of Rajasthan for its various industries;

(b) whether there is a gap between the demand and supply;

(c) if so, the details thereof; and

(d) the steps taken by the Union Government to supply sufficient quantity of coal to Rajasthan?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (d). The requirement of coal are assessed industry/sector-wise for the whole country. They are not assessed State-wise. Coal Companies are supplying coal based on the programmes submitted by the consumers in accordance with sponsorships issued by the respective sponsoring authorities. Coal supply to power and Cement industries are made based on short-term linkages established by the Standing Linkage Committee (SLC) to these sectors.

The overall despatches of coal to core and non-core sector consumers of Rajasthan during 1995-96 were 57.28 lakh tonnes (provisional) as against the despatch of 54.44 lakh tonnes during 1994-95, showing a growth of 5.2%.

Coal Companies are endeavouring to meet the requirements of coal of all consumers in the country including that of consumers in Rajasthan by increasing production of coal. In addition, coal from a number of collieries is being offered under the Liberalised Sales Scheme under which scheme coal is supplied without the requirements of linkages/sponsorships.

#### Dues of NTC Mill Workers

1921. SHRI DILEEP SANGHANI : Will the Minister of TEXTILES be pleased to state :

(a) whether the employees of NTC mills particularly in Gujarat have yet to get their terminal benefits after their retirements;

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

(c) the reasons therefor; and

(d) by when these employees are likely to get their terminal dues?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) to (c). On account of acute shortage of working capital requirements, NTC has been able to pay only net wages to the workers/employees of NTC mills in Gujarat. As a result, there has been some default in payment of post retirement dues to the superannuated employees of NTC towards PF & ESI. An amount of Rs.43.21 lakhs is outstanding to the superannuated employees of NTC (Gujarat) towards PS & ESI dues.

(d) On account of net worth erosion of 8 out of 9 subsidiaries of NTC, these 8 subsidiary corporations including NTC (Gujarat) Ltd. have been referred to and declared sick by the BIFR. Government have approved a revised Turn Around Plan for NTC mills in Gujarat involving modernisation of six out of eleven mills and restructuring of 5 unviable mills into 3 viable units by merger. This plan involves an outlay of Rs.158.25 crores. The funds will be generated out of sale of surplus lands and assets of NTC mills. Pending approval of the rehabilitation plan by BIFR and its implementation,

Government are meeting the shortfall faced by NTC towards payment of wages and salaries. Once the BIFR approves the rehabilitation plan for NTC(Guj.) and funds become available; it is expected that NTC(Guj.) will be able to clear all outstanding terminal dues of the superannuated employees of its mills. In the meanwhile, the company is making efforts to clear the dues as far as possible.

#### Loan for Spinning Mills

1922. SHRI MOHAN RAWALE : Will the Minister of FINANCE be pleased to state :

(a) whether the central financial institutions are willing to finance new cooperative spinning mills;

(b) if not, the reasons therefor;

(c) whether the Government propose to persuade the central financial institutions to sanction long term loan assistance to the extent of 50 per cent project cost to cooperative spinning mills in Maharashtra; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The Industrial Development Bank of India (IDBI) has reported that financial institutions (FIs) would be willing to consider proposals from new co-operative spinning mills provided these are found viable and there are no defaults to the FIs of the existing co-operative spinning mills in the concerned States.

(b) Does not arise.

(c) and (d) The Government of Maharashtra had advised the IDBI that 50 co-operative spinning mills would be set up in the State of Maharashtra during Eighth Plan period. Of these, 14 have so far approached IDBI and 20 have approached Industrial Finance Corporation of India Ltd. (IFCI) for assistance.

IDBI has reported that no assistance has been sanctioned by FIs so far, as it was felt that there was no scope for such a large capacity. In view of greater emphasis on exports, FIs have been giving preference to export oriented units promoted by persons with experience in the line and envisaging installation of most modern equipment to ensure production of yarn of international standard.

The working of the existing co-operative mills has been generally unsatisfactory and they have large overdues to FIs. IDBI has advised the Government of Maharashtra to clear the overdues of existing co-operative spinning mills and strengthen their organisational set up.

[Translation]

#### Computerisation of Banks

1923. SHRI SATYADEO SINGH :  
KUMARI UMA BHARATI :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to computerise the banks fully;

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

(c) the amount likely to be incurred thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Computerisation of branches/offices of banks is governed by the industry level settlement dated 29.10.1993 between Indian Banks' Association and the bank employees unions. In terms of this settlement, banks can fully computerise their operations in branches which satisfy certain parameters set out in the settlement.

(b) As reported by RBI, the number of branches identified for total/full branch computerisation upto March 1997 is 2834. Out of this target, 1244 branches had been fully computerised as on 31st March, 1996.

(c) The amount to be incurred for full branch computerisation for industry as a whole cannot be quantified for the reason that the cost per bank branch depends on the size of the branch and several other factors.

[English]

#### Facilities in Growth Centre in Gujarat

1924. SHRI SHANTILAL PARSOTAMDAS PATEL : Will the Minister of INDUSTRY be pleased to state :

(a) the details of the basic facilities provided by the Government so far in the various growth centres in each State particularly in Gujarat;

(b) the details of the work undertaken in these centres during the years 1994-95 and 1995-96;

(c) whether some centres have not been able to start any development work due to non-availability of funds; and

(d) if so, the steps taken by the Union Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d). Under the Growth Centre Scheme, 1988 the growth centres approved by the Government of India are to be developed by the State Governments concerned through their implementing agencies. The growth centres would be end-owned with basic infrastructure facilities like power, water,

telecommunications and banking. In the estimated total project cost of about Rs.25-30 crores of a growth centre, the contribution of the Central Government is limited to Rs.10 crores only.

The total Central assistance released to various growth centres during the years 1994-95 & 1995-96 was Rs.80.39 crores and Rs. 47.16 crores respectively.

The three growth centres allocated to Gujarat are at Gandhidham in Kutch, Palanpur in district Banaskantha, and Vagra in district Bharuch. The growth centre at Gandhidham in district Kutch and Palanpur in district Banaskantha have been released Rs. 100 lakhs of Central assistance each and the process of implementation has already commenced by way of land acquisition by the State Government. For the Vagra growth centre in district Bharuch, full Central assistance of Rs.1,000 lakhs has already been released. The release of Central fund is given on the basis of progress reported by the State Governments in the implementation of the growth centres. Thus, the Central Government provides support and impetus to the State Government in the funding and implementation of the growth centres.

#### Trade with Vietnam

1925. SHRI DHIRENDRA AGARWAL : Will the Minister of COMMERCE be pleased to state :

(a) whether there has been enormous increase in export to Vietnam from the country;

(b) if so, the details thereof;

(c) the amount of foreign exchange earned by the country from this export; and

(d) the further steps taken by the Government to boost the export to that country during 1996-97?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Yes, Sir. India's exports to Vietnam increased from US\$58.57 million in 1994-95 to US\$123.21 million during 1995-96, registering a growth of about 110.4%.

(d) It has always been the endeavour of the Government to boost India's exports to the countries in the East Asian region including Vietnam. Further steps in this direction include encouraging exchange of business delegations, participation in exhibitions and Fairs and holding of business related Seminars, etc.

#### BHEL

1926. SHRI SOHANBEER :  
DR. G.R. SARODE :

Will the Minister of INDUSTRY be pleased to state:

(a) the details of profits earned by Bharat Heavy Electricals Ltd. during each of the last three years;

(b) whether Bharat Heavy Electricals Ltd. propose to set up its new unit; and

(c) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The profit before tax earned by BHEL during each of the last three years is as follows:-

	[Rs./Crores]		
	93-94	94-95	95-96
Profit before tax	317	365	575*

\*Subject to Government Audit

(b) At present BHEL does not have any plan to set up any new unit.

(c) Does not arise.

[English]

#### Payment of arrears to Employees of R.R.B.

1927. SHRI SANTOSH KUMAR GANGWAR : Will the Minister of FINANCE be pleased to state :

(a) whether the arrears becoming due as a result of Implementation of the award given by the National Industrial Tribunal constituted for the officers and employee of Regional Rural Banks have since been paid; and

(b) if not, the reasons for delay and the time by which it is likely to be paid?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). National Bank for Agriculture and Rural Development (NABARD) has reported that it has advised the Regional Rural Banks (RRBs) to pay the arrears due as a result of the wage revision carried out in 1991 in pursuance of the Award of the National Industrial Tribunal as per the scheme approved by the Hon'ble Court.

[English]

#### Production of Vehicle by Indian and Foreign Companies

1928. JUSTICE GUMAN MAL LODHA :  
PROF. PREM SINGH CHANDUMAJRA :

Will the Minister of INDUSTRY be pleased to state:

(a) whether several indigenous and foreign companies independently or jointly have started production of cars, trucks, tampos, two-wheelers and other vehicles in the country over the years under the new industrial policy;

(b) if so, the production capacity of each of these companies ;

(c) whether the Government have asked these companies to export a part of their production;

(d) if so, the details thereof; and

(e) the details of vehicles produced in the country during the year 1993-94, 1994-95 and 1995-96 alongwith the vehicles exported?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). The details of the companies which have been permitted by Government to manufacture various types of automotive vehicles after the introduction of new Industrial Policy are as under:

S.No.	Name of Foreign Company	Indian Partner	Item	Envisaged Capacity (Nos.)
1.	Mercedes Benz, Germany	M/s Telco	Car	20,000
2.	Daewoo, Korea	M/s DCM	Car	1,60,000
3.	Peugeot, France	M/s Premier Automobiles Limited	Car	60,000
4.	General Motors, USA	M/s Hindustan Motors	Car	25,000
5.	Ford Motors, USA	M/s Mahindra & Mahindra	Car	1,25,000
6.	Rover Group, U.K.	M/s Sipani Auto	Car	15,000
7.	Honda Motors, Japan	M/s SIEL	Car	30,000
8.	Mitsubishi, Japan	M/s Hindustan Motors	Car	30,000
9.	Hyundai, Korea	100% subsidiary	Car	2,00,000
10.	BMW, Germany	M/s Hero Cycles Ltd.	Car	10,000
11.	Volvo A B Sweden	100% subsidiary	Truck	Not indicated

(c) and (d). The Government has not imposed any specific export obligation on these companies, as per its current policy.

(e) The production and export of vehicles during the last three years have been as under :

	1993-94	1994-95	1995-96
<b>Production</b>			
Cars	2,09,695	2,64,007	3,55,658
Jeeps	49,896	49,371	67,679
Medium and Heavy Commercial Vehicles Trucks & Buses	65,975	1,02,002	1,29,753
Light Commercial Vehicles	75,461	92,997	1,29,383
Three-Wheelers	91,608	1,28,833	1,72,602
Two-Wheelers	17,56,155	21,95,609	26,56,017
<b>Exports</b>	1,27,342	1,78,756	1,93,994
<b>(Total Vehicles)</b>			

### Policy of Insurance Industry

1929. SHRI CHITTA BASU : Will the Minister of FINANCE be pleased to state :

(a) whether the All India L.I.C. Employees Federation, General Insurance Employees All India Association and All India Bank Employees Association have submitted representations regarding Government's proposed policies on Insurance Industry;

(b) if so, the major issues highlighted in the representations; and

(c) the reaction of the Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). A number of representations have been received by the Government against opening of the Insurance Sector

to foreign and India private companies. The Common Minimum Programme (CMP) of the Government envisages restructuring of the insurance industry in the light of the experience gained in the working of the banking sector, and strengthening of public sector insurance companies i.e. LIC and GIC.

### Use of Hindi in Courts

1930. SHRI PARASRAM BHARDWAJ : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the progress made in the use, propagation and publicity of the official language Hindi in place of English in the Courts at least in those State falling under Hindi belt;

(b) whether any well concerned plan has been formulated by the Court for this purpose; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c). Article 348(1) of the Constitution provides that all proceedings in the Supreme Court and in every High Court shall be in English until Parliament by law otherwise provides. Under Article 348(2), the Governor of a State may with the previous consent of the President, authorise the use of Hindi or any other language used for any official purpose of the State, in proceedings of the High Court having its principal seat in the State, provided that decrees, judgements or orders passed by the High Court shall be in English.

Under section 7 of the Official Language Act, 1963, the use of Hindi or official language of a State in addition to English may be authorised with the consent of the President of India by the Governor of the State for the purpose of judgements etc. made for the High Court for that State. So far, the Governors of the four Northern States namely, Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh have authorised the use of Hindi in addition to English Language in the proceedings as well as the judgements, decrees etc. for the High Court of their States.

The Chief Justice of India had reported in October 1991 that replacement of English in lower levels of the judiciary by the State language had already been implemented throughout India.

#### National Saving Scheme

1931. DR. MURLI MANOHAR JOSHI : Will the Minister of FINANCE be pleased to state :

(a) whether the National Saving Scheme has since been discontinued;

(b) if so, the reasons therefor;

(c) the balance of deposits under the National Saving Schemes as on March 31, 1996;

(d) whether the Government have received representations for raising the rate of interest paid on the National Saving Schemes deposits and income-tax relief on withdrawals by retired and senior citizens, and

(e) if so, the reaction of the Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). With the withdrawal of tax concession under Section 80 CCA, National Saving Scheme, 1987 was discontinued and a new National Savings Scheme, 1992 was introduced w.e.f. 1.10.1992 under which tax concession under Section 88 and 80L of Income Tax Act, 1961 are available.

(c) The balance deposits under the National Saving Schemes (Provisional) as on March 31, 1996 is as follows:

(i) NSS-87	Rs.3998.53 crores
(ii) NSS-92	Rs. 780.95 crores
<b>Total</b>	<b>Rs.4779.48 crores.</b>

(d) Yes, Sir.

(e) The Government have examined the representations in detail. However, it has not been found possible to accept them.

#### Export of Sarees

1932. SHRI RAMASHRAYA PRASAD SINGH: Will the Minister of TEXTILES be pleased to state :

(a) whether the Government propose to export Banarasi sarees, Bengal tant sarees and South silk sarees to Pakistan, as they are very popular in that country;

(b) if so, the details thereof; and

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

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) to (c) Pakistan has not accorded Most Favoured Nation (MFN) status to India in contravention of its GATT/WTO obligations; instead, it currently allows imports from India only against a unilateral list of 573 items. The list does not include "Banarasi Sarees, Bengal tant sarees or South silk sarees". The Government of India have made a formal demarche to the Pakistan Government about extension of MFN status to India, a response to which is awaited.

#### Assistance from NRF to Gujarat

1933. SHRI RATILAL KALIDAS VERMA : Will the Minister of TEXTILES be pleased to state :

(a) whether the Union Government have recieved any proposal from the Government of Gujarat seeking assistance from NRF for restructuring the sick textile mills in Gujarat;

(b) if so, the details thereof; and

(c) the action taken by the Union Government thereon?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (c). State Government of Gujarat have submitted a proposal for assistance of Rs.96.83 crore from National Renewal Fund for restructuring and rehabilitation of Gujarat State Textile Corporation. Ministry of Industry will take up the proposal after operational modalities for grant of assistance from National Renewal Fund have been finalised.

[Translation]

### Training Programme to Boost Export

1934. KUMARI UMA BHARATI :  
SHRI PANKAJ CHOWDHARY :

Will the Minister of COMMERCE be pleased to state:

(a) whether the Union Government have formulated any scheme to start a training programme for promotion of exports ;

(b) if so, the details thereof; and

(c) the time by which the said scheme is likely to be implemented?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No new scheme has been formulated by Government.

(b) and (c) Do not arise.

### Closure of Bank Branches in Rural Areas

1935. SHRI AMAR PAL SINGH :  
DR. RAMKRISHNA KUSMARIA :

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item captioned "Banks closed 253 rural branches in 1995: RBI" appearing in the Economic Times dated April 11, 1996;

(b) if so, the facts thereof;

(c) the main reasons for closing of such a large number of rural branches by banks;

(d) the reaction of the Government in this regard; and

(e) the steps taken or proposed to be taken to ensure that banks set up more branches in rural areas?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) to (e). Reserve Bank of India (RBI) has reported that as compared to 35,142 rural branches in December 1994, the number of rural branches in December 1995 declined to 34,889 branches. This was due to the decrease of 285 rural branches of Regional Rural Banks (RRBs) and five branches of other commercial banks, as against the increase of 17 rural branches of public sector banks. The decrease in rural branches was mainly on account of shifting of 227 rural branches to semi-urban centres and 33 rural branches to Urban/Metropolitan centres by RRBs.

RBI has further reported that for better business prospects and with a view to improving operational efficiency, RRBs have been allowed to relocate their loss-making branches at centres such as market yards,

village mandis and block/district headquarters. RRBs have also been advised that the relocation of branches should not result in closure of any branch.

RBI have further advised banks that while closure of loss-making branches at rural centres having a single commercial bank branch is not considered desirable, at centres served by two commercial banks branches (excluding RRBs), the decision of closure of one of the branches may be taken by the concerned banks by mutual consultation.

[Translation]

### Central Investment in States

1936. SHRI KASHIRAM RANA :  
SHRI XAVIER ARAKAL :  
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of FINANCE be pleased to state :

(a) the year-wise investment made by the Union Government in various States with particular reference to Gujarat and Kerala during the last three years;

(b) whether it is on decreasing trend; and

(c) if so, the steps taken by the Government to increase the limit of investment?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). The Central Plan investment is made for the country as a whole keeping the national priorities in view. It is neither planned nor accounted State-wise. However, the net Central Plan assistance in the various States, including Gujarat and Kerala, has been increasing year after year in the last three years.

### Foreign Bank Accounts of Indians

1937. SHRI RAM TAHAL CHAUDHARY : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have any mechanism to ascertain the amount deposited in foreign banks by Indian citizens;

(b) if so, the details thereof; and

(c) if not, the remedial steps proposed to be taken in regard thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). While there is no general arrangement for ascertaining the amounts deposited in foreign banks by Indian citizens, appropriate action as warranted under the Foreign Exchange Regulation Act '73 is taken on receipt of specific reports on maintenance/operation of bank accounts abroad by persons resident in India.



[English]

**Assistance for Industrial Development in Orissa**

1938. SHRI MURLIDHAR JENA : Will the Minister of INDUSTRY be pleased to state:

(a) the details of Central assistance sanctioned for industrial development in Orissa during last three years; and

(b) the criteria laid down in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). The primary responsibility for industrial development rests with the State Governments. The Ministry of Industry has sponsored the Growth Centre Scheme for granting Central assistance to support industrial development in the States. Three growth centres were allocated to the State of Orissa for implementation by the State Government. No central releases could be made to these three centres in the last three years as appraisal of the projects, are yet to be completed. Special reports from the State Government are awaited.

**Export of Pepper**

1939. SHRI KODIKUNNIL SURESH : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any decline in export of pepper during 1995-96 in comparison to the corresponding year.

(b) if so, the reasons therefor;

(c) whether the Government have received any representation from All India Spice Exporters Forum for extending cess-exemption for pepper;

(d) if so, the details thereof, and

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

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Yes, Sir. The details of export of pepper during the last two years are given below

Year	Qty. (MT)	Value (Rs. Crores)
1994-95	36.536	234.61
1995-96(P)	25.401	193.50

(P) Provisional

Source : DGCIS, Calcutta

(b) The main reason for decline in pepper exports during 1995-96 was depressed demand in USA, the major importing country.

(c) and (d) Cess on export of certain spices, including pepper (except green pepper in brine) was exempted upto 31.03.1996. A suggestion to extend cess exemption was received from All India Spice exporters Forum.

(e) Review of taxation burden on exports, including cess is an on-going process, and, as and when considered necessary, exemptions on specified items are notified.

**Non-Payment of Salaries to T.T.C.I. Workers**

1940. SHRI R.B. RAI : Will the Minister of COMMERCE be pleased to state :

(a) whether tea garden workers in Darjeeling under the Tea Trading Corporation of India are not getting their salaries and other facilities for several months.

(b) if so, the total amount of such dues to be paid with the details of tea gardens, number of workers from each garden and the period of dues; and

(c) the steps taken by the Government to provide salaries and other facilities to those workers under T.T.C.I. in time?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Position regarding outstanding salary/wages of workers as on 1st April, 1996 in respect of tea gardens in District Darjeeling owned by Tea Trading Corporation of India Ltd. is indicated in the attached Statement.

**STATEMENT**

*Details regarding outstanding wages and salaries of workers of tea gardens owned by Tea Trading Corporation of India Ltd in Darjeeling District of West Bengal*

Tea Garden	Outstanding Wages & salaries to be paid as on 1.4.96 (Rs. in lakhs)	No. of workers in the garden	Period of dues	Ration outstanding as on 1.4.96 (Rs. in lakhs)
Vah-Tukvar Tea Estate	69.36	748	Over 90 weeks	26.95
Pashok Tea Estate	65.08	959	Over 70 weeks	28.98
Potong Tea Estate	10.00	344	Over 12 weeks	7.61

(c) In view of persistent losses suffered in all gardens including the gardens in Darjeeling District owned by TTCL Ltd., it has been decided to dispose of these gardens through outright sale. Outstanding liabilities on account of salaries/wages of the workers are proposed to be met by TTCL Ltd. from out of the sale proceeds. Though attempts are being made to complete the sale expeditiously, there has been difficulty in completing the sale process on account of court cases. All possible steps have been taken to expedite the sale. In the meanwhile, the company has been asked to continue production and manufacturing activities to the extent feasible to ensure payment of current dues.

### Export of Orchid Flowers

1941. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether a good number of orchid flowers cultivated in Sikkim and Darjeeling and exported abroad;

(b) if so, the quantum of orchid flowers exported and the foreign exchange earned therefrom during each of the last three years, country-wise; and

(c) the further steps taken by the Government to boost the export of orchid flowers from the country?

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

(b) The foreign exchange earned from export of out flowers including orchid flowers during the period 1993-94, 1994-95 and 1995-96 (April, 95 to Jan. 96) is as follows :

	Value : Rs. in crores		
	1993-94	1994-95	1995-96
	(April, 95 to Jan. 96)		
Cut Flowers and Flower buds*	11.92	22.57	35.23

The item "Orchid Flowers" is not separately specified for statistical purposes in the international Trade Classification (Harmonised System) Code and as such it is not possible to furnish the information on export of this item

(Source : DGCI&S, Calcutta)

Country-wise details of export of cut flowers and flower buds are available in the Monthly Statistics of the Foreign Trade of India Published by the Directorate General of Commercial Intelligence & Statistics, Calcutta, copies of which are available in the Parliament House Library.

\*No unit of quantity is assigned to export of cut flowers.

(c) Some of the steps taken by the Government to boost the export of floriculture products including orchid flowers from India, inter-alia, include :-

- (i) Providing financial assistance for development of infrastructure such as refrigerated/insulated vans and setting up of pre-cooling/cold storage units;
- (ii) establishing five walk-in-type cold storages at airports for export consignments awaiting clearance;
- (iii) Streamlining and simplification of plant quarantine procedures for expeditious clearance of cargo;
- (iv) Concessional customs duty on specified goods required for Green Houses;
- (v) Making available the benefits of duty free imports under the export Oriented Units/ Export Processing Zones Schemes to units engaged in floriculture and permitting sale of 50% of their production in the Domestic Tariff Area;
- (vi) Implementation of a UNDP assisted Project on Floriculture for enhancing production and exports of cut flowers. Some of the activities to be undertaken in this project include advising entrepreneurs on production of flowers, preparation of crop manuals, undertaking market surveys and providing market information; and
- (vii) Participation in international fairs/exhibitions.

### Revision of Wages in Insurance Sector

1942. SHRI KODIKUNNIL SURESH :  
SHRIMATI VASUNDHARA RAJE :  
SHRI MULIAPPALLY RAMACHANDRAN :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have revised the wages of the Insurance officials;

(b) if so, the details thereof and the date from which the revised wages have been made effective to the staff of Life Insurance Corporation and General Insurance Corporation;

(c) the details of the revision made in their wage packages, category-wise;

(d) the status of the pension scheme introduced for the officials of the Insurance sector; and

(e) the details of the pending demands of the employees and the reaction of the Government on each of them?

THE MINISTER OF FINANCE AND MINISTRY OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) to (c). Yes, Sir. The category-wise details of the major elements of the wage revision are given in the attached statement;

(d) The pension scheme has been implemented in the insurance industry with effect from 1.11.93. The scheme also covers those employees who have retired between 1.1.86 and 1.11.93, on refund of the employer's contribution to the PF with interest.

(e) Some of the Class III and Class IV employees

have been demanding higher neutralisation while fixing the revised pay scales and a fitment increment. These demands could not be accepted by the Government in view of the need to keep the overall increase in the wage bill within a reasonable limit and to maintain the parity between the banking and insurance industries.

### STATEMENT

#### *Details of Wage Revision in the Insurance Industry*

Sl. No.	Name of Post	Pre-Revised Pay Scales (Rs.)	Revised Pay Scales (Rs.)	Date of effect
1	2	3	4	5
1.	Zonal Manager (Selection Grade) in LIC and General Manager in GIC.	6400-7000	12650-14000	1.8.1992
2.	Zonal Manager (Ordinary Grade) in LIC and AGM in GIC	5950-6500	11450-12650	-do-
3.	Deputy Zonal Manager in LIC and Dy. Manager in GIC	5350-5950	10450-11450	-do-
4.	Divisional Manager in LIC - Dy. Manager in GIC	4520-5350	8970-10450	1.8.1992
5.	ADM in LIC & Assistant Manager in GIC	3660-5050	7360-9950	-do-
6.	Branch Manager in LIC and A.O. in GIC	2940-4520	5980-8970	-do-
7.	ABM in LIC & AAO in GIC	2100-4260	4250-8510	-do-
8.	Dev. Officer Gr. I in GIC	1430-3880	2815-7520	1.4.95
9.	Dev. Officer in LIC	1350-3880	2660-7520	-do-
10.	Dev. Officer Gr. II in GIC	1050-1410	2050-2790	-do-
11.	Superintendent in LIC & GIC	1910-3700	3725-7160	1.8.92
12.	Higher Grade Assistant in LIC	1470-3460	2880-6700	-do-
13.	Senior Assistant and Stenographer in GIC	1390-3460	2725-6700	-do-
14.	Section Head in LIC	1270-3220	2510-6240	-do-
15.	Stenographer in LIC	1240-3090	2425-5960	-do-
16.	Assistant in LIC and GIC	1000-2860	1950-5500	-do-
17.	Record Clerk in LIC/GIC	930-2010	1830-3990	-do-
18.	Driver in LIC and GIC	930-1810	1830-3590	-do-
19.	Sepoy in LIC	815-1520	1600-3020	-do-
20.	Other Subordinate staff in GIC	815-1520	1600-3220	-do-
21.	Sweeper in LIC	785-1465	1540-2900	-do-

**DEARNESS ALLOWANCE**

Pre-Revised			Revised		
1			2		
(i)	Upto Rs. 2500/-	0.67% of Basic Pay;	i)	Upto Rs. 4800	0.35% of Basic Pay
(ii)	Rs. 2501 to Rs. 4000	0.67% of Rs. 2500 plus 0.55% of Basic Pay in excess of Rs. 2500	ii)	Rs. 4800 to Rs. 7700	0.35% of Rs. 4800 plus 0.29% of basic pay in excess of
(iii)	Rs. 4001/- to Rs. 4260	0.67% of Rs. 2500 plus 0.55% of difference between Rs. 4000 and Rs. 2500 plus 0.33% of Basic Pay in excess of Rs. 4000.	iii)	Rs. 7700 to Rs. 8200	0.35% of Rs. 4800/- plus 0.29% of difference between Rs. 7700 and Rs. 4800 plus 0.17% of basic pay in excess of Rs. 7700.
(iv)	Rs. 4261/- and above	0.67% of Rs. 2500 plus 0.55% of difference between Rs. 4000 and Rs. 2500 plus 0.33% of difference between Rs. 4260 and Rs. 4000 plus 0.17% of basic pay in excess of Rs. 4260	iii)	Rs. 8201 and above	0.35% of Rs. 4800/- plus 0.29% of difference between Rs. 7700 and Rs. 4800 plus 0.17% of difference between Rs. 8200 and Rs. 7700 plus 0.29% of basic pay in excess of Rs. 8200

The DA increase has been revised with effect from 1.4.1993 for Class I Officers and Development Officers and from 1.8.1992 for class III and IV employees.

**HOUSE RENT ALLOWANCE****CLASS I OFFICERS - FROM 1.8.1992**

12.5% of the basic subject  
to a maximum of Rs. 500

12.5% of the Basic Subject to  
a maximum of Rs. 875/-

**DEVELOPMENT OFFICERS - FROM 1.4.1993**

12.5% of the basic pay upto  
Rs. 3000 and @ 10% of the Basic  
Pay which is in excess of  
Rs. 3000/- subject to a maximum of  
Rs. 425/-

12.5% of the Basic pay upto  
Rs. 5900 and @ 10% of the Basic  
Pay which is in excess of  
Rs. 5900/-

**CLASS III AND IV EMPLOYEES - FROM 1.8.1992**

10% of the Pay

- |     |  |     |
|-----|--|-----|
| i)  | Cities with population exceeding<br>12 lakhs | 12% |
| ii) | Any other places                             | 10% |

**C.C.A.****CLASS I OFFICERS - FROM 1.8.1993**

- |     |  |   |  |
|-----|--|---|--|
| i)  | Cities with population<br>exceeding 12 lakhs | 7% of Basic Pay subject<br>to a maximum of<br>Rs. 220/- | 4.5 % of the basic pay subject to a maximum<br>of Rs. 335/- per month. |
| ii) | Other Cities                                 | 4% of Basic Pay subject<br>to a maximum of<br>Rs. 135/- | 3.5% of the basic pay subject to a maximum<br>of Rs. 230/- per month   |

1

2

**DEVELOPMENT OFFICERS - FROM 1.8.1993**

- |  |   |   |
|--|---|---|
| i) Cities with population exceeding 12 lakhs | 7% of Basic Pay subject to a maximum of Rs. 165/- | 4.5 % of the basic pay subject to a maximum of Rs. 220/- per month. |
| ii) Other Cities                             | 4% of Basic Pay subject to a maximum of Rs. 110/- | 3.5% of the basic pay subject to a maximum of Rs. 165/- per month   |

**CLASS III & IV EMPLOYEES - FROM 1.8.1993**

- |  |   |  |
|--|---|--|
| i) Cities with population exceeding 12 lakhs | 7% of Basic Pay subject to a maximum of Rs. 150/-   | 4.5 % of the basic pay subject to a maximum of Rs. 100/- and a maximum of Rs. 200/- per month. |
| ii) Other Cities                             | 4% of Basic Pay subject to a minimum of Rs. 30 for Class IV and Rs. 45/- for class III and a maximum of Rs. 100 | 3.5% of the basic pay subject to a minimum of Rs. 75/- and maximum of Rs. 150/-                |

**CONVEYANCE ALLOWANCE**

Nil

Rs. 100/- per month to all employees with effect from 1.8.1994

**COMPUTER INCREMENT**

Computer Increment has been allowed to all the Officers and Employees with effect from 1.11.1993

**HILL ALLOWANCE****CLASS I OFFICERS - FROM 1.8.1992**

- |   |   |   |
|---|---|---|
| Posting at places situated at a height of 1500 metres and above | 7% of basic pay subject to a maximum of Rs. 180/- | 4% of basic pay subject to a maximum of Rs. 180/- |
| Posting at places situated at a height of less than 1500 metres | 5% of basic pay subject to a maximum of Rs. 150/- | 3% of basic pay subject to a maximum of Rs. 150/- |

**DEVELOPMENT OFFICERS - FROM 1.4.1995**

- |   |   |   |
|---|---|---|
| Posting at places situated at a height of 1500 metres and above | 7% of basic pay subject to a maximum of Rs. 150/- | 4% of basic pay subject to a maximum of Rs. 150/- |
| Posting at places situated at a height of less than 1500 metres | 5% of basic pay subject to a maximum of Rs. 125/- | 3% of basic pay subject to a maximum of Rs. 125/- |

**MEDICLAIM****Cash**

Employees having service upto 5 years Employees having more than 5 years service

Rs. 350/-  
Rs. 500/-

**Cash**

Rs. 870/-  
Rs. 1070/-

**HOSPITALISATION**

Prior to the revision the mediclaim premium was being paid by employees and the employer company in the ratio of 1:2. After the revision the ratio has been changed to 1:3 reducing the employee's share to 25%.

### Export of Woollen Items

1943. SHRI MAHESH KUMAR M. KANODIA : Will the Minister of TEXTILES be pleased to state :

(a) whether there has been substantial increase in the export of woollen items from the country; and

(b) if so, the value of the woollen items exported and the additional amount of foreign exchange earned during the 1995-96 as compared to 1994-95?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b). The exports of woollen items from the country have increased from US \$ 341.50 million in 1994-95 to US \$ 370.03 million in 1995-96, showing an increase of US \$ 28.53 million.

[English]

### Price of Coal

1944. PROF. AJIT KUMAR MEHTA : Will the Minister of COAL be pleased to state :

(a) whether the Government have recently raised the prices of coking and non-coking coal;

(b) if so, the percentage of hike in the prices of coal alongwith the reasons therefor; and

(c) its likely impact on the industrial production and the market prices of finished goods besides on the power sector in the country?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) The Government deregulated prices of coking coal and A, B and C grade of non-coking coal vide notification dated 22.3.1996. Coal Companies are now competent to fix the prices of these varieties. Further in accordance with the recommendation of the Bureau of Industrial Costs and Prices (BICP) a notification was issued increasing the price of regulated grades of coal produced in Western Coalfields Limited (WCL) to the level notified for Singareni Collieries Company Limited (SCCL) this was issued on 22.3.1996. Separate prices have also been notified for the Ramagundam OC-II mine of SCCL on 9.1.1996 and the Rajmahal OC project of Eastern Coalfields Limited (ECL) on 22.4.1996.

(b) Percentage of increase in prices of coal produced from the mines of WCL and from the Ramagundam OC-II mine and Rajmahal OC Project are given in the attached statement.

Higher prices for coal produced from the mines of SCCL have always been fixed taking into account the geominig conditions in which it operates. Since WCL also operates in the same geominig conditions BICP have recommended prices for coal produced from the mines of WCL to be fixed at the level of prices charged for coal produced from the mines of SCCL.

The likely impact of price increase of coal on different sectors is as follows :-

Steel	Rs. 293 per tonne
Power	2 Paise per KWH
Cement	Rs. 14.16 per tonne

### STATEMENT

*Percentage of increase in prices of WCL coal and the coal produced from the Ramagundam OC-II mine and the Rajmahal OC Projects over the prices as fixed on 16.6.1994*

#### Western Coalfields Limited

Grades of Coal	Percentage of increase w.e.f. 22.3.1996 per tonne
<i>Non-Coking</i>	
Grade - D	43.84%
Grade - E	50.93%
Grade - F	57.58%

#### Ramagundam OC-II Mine

	Percentage of increase w.e.f. 9.1.1996 per tonne
Coal produced from Ramagundam OC-II Mines	43.18%

#### Rajmahal OC Projects

	Percentage of increase w.e.f. 22.4.1996 per tonne
Coal produced from Rajmahal OC Projects	57.20%

### Marketing Complex and Dye Making Centre

1945. SHRI K.D. SULTANPURI : Will the Minister of TEXTILES be pleased to state :

(a) wheather there is marketing complex and dye making centre of the National Handloom Development Corporation in each State;

(b) if so, whether there is any proposal under consideration to open such marketing complex and dye making centre in Delhi State also;

(c) if so, the details thereof including the time frame for it; and

(d) if not, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) No, Sir.

(b) It has been decided to establish a Marketing Complex at Delhi in Bhikaji Cama Place.

There is no proposal to open any dye making centre at Delhi.

(c) and (d). The complex will be operational in 1997.

#### Management of Sick Industries

1946. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state :

(a) whether various labour cooperatives have requested the Government to hand over the management of sick industries to them;

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

(c) the details of the industries handed over or proposed to be handed over to such cooperatives?

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

(b) Does not arise.

(c) The Board for Industrial and Financial Reconstruction (BIFR) has reported that proposals for revival of sick industrial companies through workers' co-operatives, whenever received, are given due consideration by BIFR. As on 30.06.1996, BIFR had sanctioned revival schemes in respect of the following five industrial companies involving workers' cooperatives:

Name of the Company	State in which company is located
1. New Central Jute Mills	West Bengal
2. Kamani Tubes	Maharashtra
3. Powder Metals	Maharashtra
4. HES Limited	Maharashtra
5. K.M.A. Limited	Maharashtra

#### Export of Wheat

1947. SHRI VINAY KATIYAR :  
SHRI DADA BABURAO PARANJPE :

Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of wheat exported during each of the last three years, country-wise;

(b) the amount of foreign exchange earned through export of wheat during the above period; and

(c) the total quantity of wheat likely to be exported and the foreign exchange earned therefrom during 1996-97, country-wise?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The total quantity and value of wheat exported during the last three years is as under :

Year	Quantity (Mts.)	Value (Rs.) Crores
1993-94	390	0.20
1994-95	86628	42.34
1995-96	617211	360.90

The country-wise details of quantity and value of wheat exported are available in the monthly bulletin/annual numbers published by Directorate General of Commercial Intelligence & Statistics, Calcutta, copies of which are available in the Parliament library.

(c) It is not possible to accurately estimate the likely quantum of exports as they would depend upon the prices prevailing in the international and domestic markets on account of different varieties traded, variation in quality and other terms of trade. However, the Food Corporation of India has been permitted to export/sell for the purposes of export during 1996-97 upto 5 lakh tonnes of non-durum wheat from the public stocks against the carry over commitment made in 1995-96. Further, a ceiling of 10 lakh Mts. of wheat has been released for exports of wheat from the sources other than Food Corporation of India for the year 1996-97.

#### Export of Automobiles

1948. SHRI MADHAVRAO SCINDIA : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any decline in the exports of automobile during 1995-96 in comparison to 1993-94 and 1994-95;

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

(c) the steps taken by the Government to boost the exports of automobile?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). There has been no decline in the exports of automobiles during 1995-96 as compared to the exports during 1993-94 and 1994-95. The exports of automobile during the last three years have been as under :

(Value in Rs. Crores)

Year	Value
1993-94	792.24
1994-95	1319.83
1995-96	1586.31

(Source : DGCI&amp;S)

In physical terms the numbers of vehicles exported are :

Year	Numbers
1993-94	1,27,342
1994-95	1,78,756
1995-96	1,93,944

(Source : Min. of Industry)

(c) Promotion of exports has been the constant endeavour of the Government. Steps taken to boost exports of engineering goods, including automobiles, consist of various incentives under the Export-Import policy including Duty Exemption Scheme, Export Promotion Capital Goods Scheme, Special Import Licence, Duty Drawback Scheme, exemption under Section 80 HHC of Income Tax Act, assistance from Market Development Fund. Engineering goods exporters also receive promotional support under the various activities of the Engineering Export Promotion Council.

#### Tax on Foreign Telecasting Companies

1949. DR. RAMKRISHNA KUSMARIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have asked the foreign telecasting companies to pay tax on their income; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The foreign telecasting companies are under an obligation to pay tax on their earnings from India. However, keeping in view the problems in computation of income in the cases of foreign telecasting companies which do not have any branch office or permanent establishment in India or are not maintaining country-wise accounts, the Board has issued guidelines for computing the taxable income by adopting presumptive profit rate of 10% of the gross receipts meant for remittance abroad or the income returned by such companies, whichever is higher, and subject the same to tax at the prescribed rate, i.e. 55% at present.

#### Shares offered for Public Subscription

1950. SHRI ISWAR PRASANNA HAZARIKA : Will the Minister of FINANCE be pleased to state :

(a) the total amount of shares offered for public subscription by all categories of new and existing corporates during 1993-94 to 1995-96;

(b) how much of the aforesaid is attributable to companies incorporated in the North-Eastern States;

(c) whether the Government are contemplating introduction of fiscal and other measures to promote and accelerate the growth of corporate investment in these States; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Based on the information furnished by the Securities and Exchange Board of India the total amount of capital raised by companies in the country and the North-Eastern Region (NER) are given below:

(Rs. crores)

	Capital raised by all companies	Capital raised by the companies in the NER
1993-94	24371.96	5.25
1994-95	27632.49	154.85
1995-96	20811.52	19.03

(c) and (d) The Central Government has taken steps to promote investment in the North-Eastern Region. The Government is operating a Transport subsidy scheme for industrial units in the North-Eastern Region including Sikkim under which transport costs on industrial raw materials and finished goods are reimbursed. Further, in the Finance (No. 2) Bill, 1996, the Government has proposed exemption for a period of 10 years from income tax on the income of the North-Eastern Development Finance Corporation Limited which has been set up at Guwahati with the objective of financing the creation, expansion and modernisation of industrial enterprises and infrastructure projects in the North-Eastern Region.

#### Loss of Revenue due to Short Levy of Central Excise

1951. SHRI RAMSAGAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have suffered a loss of revenue amounting to Rs. 1110.31 crore due to under



assessment/short levy of Central Excise duties and other Central taxes during 1994-95;

(b) whether the Government enquired into these losses;

(c) if so, the details thereof and the action taken thereon;

(d) the remedial measures taken to check such revenue loss; and

(e) the number of persons arrested in the country particularly in Delhi for evading the excise duty during the last three years?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (e). the information is being collected and will be laid on the Table of the House.

#### Drawback Claims of CBEC

1952. SHRI SURESH KALMADI : Will the Minister of FINANCE be pleased to state :

(a) whether the working group of Central Board of Excise and Customs has submitted its recommendations to ensure speedy settlement of drawback claims;

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

(c) the reaction of the Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). Yes, Sir. The Working Groups' Report on Disbursement of Drawback Claims has been received recently. The Groups' major recommendations include, return to [re-1986 procedure for processing of Drawback claims by doing away with the necessity of filling separate claims and treating the drawback Shipping Bills themselves as claims for drawback; reduction in drawal of samples for test; augmentation of infrastructure of Custom House laboratories; computerisation of export and drawback procedures; changes in procedure for payment of drawback amounts and adoption of modern modes of communication.

All these recommendations are under active consideration of the Government.

[Translation]

#### Refinancing of Rural Banks

1953. SHRI SUKHLAL KUSHWAHA : Will the Minister of FINANCE be pleased to state :

(a) whether the National Housing Bank has been providing refinancing facility to the rural banks of Uttar Pradesh and Madhya Pradesh for construction and

repair of houses;

(b) if so, the details thereof and the amount provided during each of the last two years in that regard; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). National Housing Bank (NHB) has reported that it is operating a scheme of subscription to Special Rural Housing Debentures (SRHDs) through Agricultural Rural Development Banks (ARDBs) for rural housing. NHB has been providing refinance facility to the ARDB of Uttar Pradesh in the form of subscriptions to SRHDs floated by them. NHB has reported that till date, it has subscribed an amount of Rs. 9.78 crores to ARDB of Uttar Pradesh, besides subscription to adhoc bonds of Rs. 10 crores for earthquake relief in Uttar Kashi during the year 1991-92. Further, a limit of Rs. 2 crores has been allocated to ARDB of Uttar Pradesh.

NHB has stated that no application has been received from Madhya Pradesh upto now.

#### Supply of Coal to Power Plants in Delhi

1954. SHRI JAI PRAKASH AGARWAL : Will the Minister of COAL be pleased to state :

(a) whether the Government have received complaints regarding irregular and poor quality of coal being supplied to the power plants in Delhi;

(b) if so, the details of the complaints received in this regard during the last three years; and

(c) the action taken or proposed to be taken by the Government to ensure regular supply of quality coal to the power plants of Delhi?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c). The total despatches of coal to power plants in Delhi for the period April-June, 1996 were 12.04 lakh tonnes (provisional) as against a despatch of 13.08 lakh tonnes during the corresponding period last year. The despatches to power houses in Delhi had to be regulated owing to failure of power stations to make payments against current supplies of coal.

Thermal power plants, by and large, have been supplied adequate quantity and agreed quality of coal for which their boilers are designed. Generally the complaints regarding the quality of coal being supplied to the power houses relate to the presence of extraneous material in coal as also supply of over-sized coal. These complaints are examined on merit of each case and corrective action is taken to redress the grievances of the consumers.

In order to bring down the quality complaints, steps like installation of feeder breakers, segregation of stones at the time of loading of coal, better supervision and

encouraging the consumers to post their representatives at the loading point for quality loading are taken by the coal companies.

[English]

### Export and Import of Restricted Items

1955. SHRI P.R. DASMUNSI : Will the Minister of COMMERCE be pleased to state:

(a) the details of items which were kept outside Open General Licence in EXIM-Policy of 1994-95 and 1995-96; and

(b) the details of items which were exported and imported mostly from the restricted items during the above period ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH: (a) The current Export & Import Policy which came into being on 1st April, 1992 and is valid upto 31st, March, 1997 permits free import and export of capital goods, raw materials, intermediates, components, consumables, spares, parts, accessories, instruments and other goods except such goods which are covered by the Negative Lists of Imports or Exports or which are regulated by any other law for the time being in force. The importability and exportability of goods is specified itemwise in the ITC (HS) Classification of Export and Import Items.

(b) Items covered by Negative List of Imports or Exports are allowed to be imported or exported against specific licences or through general instructions notified in this regard. These items for export include fertilizers, dual purpose chemicals, pulses, peacock tail feathers, castor seeds etc. and for import these include Penicillin G, Rifampicin, Cars in CKD/SKD, Stallion & Broodmares, Trainer aircraft etc. The details of such licences are published in the fortnightly Exim Update, copies of which are also available in the Parliament library.

### Ban of Rs. 500 Denomination in Nepal

1956. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any representation against the ban of five hundred rupee currency notes in Nepal;

(b) if so, the reasons therefor; and

(c) the steps taken by the Indian Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). As per existing provisions of Foreign Exchange Regulation Act (FERA), movement of Indian currency/bank notes upto Rs. 100 denomination only is allowed between India and Nepal. It was reported by our Embassy at Nepal in October, 1993, that because of large scale movement of people between the borders,

it had become almost impossible to adhere to the above instructions and as a result 500-rupee notes were freely available and were being accepted in various business transactions and even the local banks in Nepal while converting Nepalese currency into Indian currency often gave 500-rupee notes. Normally, whenever the Nepalese banks generate surplus Indian currency notes (upto Rs. 100 denomination notes) such notes are transferred to the Patna branch of Reserve Bank of India (RBI) through Nepal Rashtriya Bank (NRB). However, because of FERA restrictions, the RBI was not accepting 500-rupee notes from the Nepalese Banks. Thus, it was reported that the NRB was having a total deposit of 500-rupee notes worth Rs. 57 crores.

The matter was discussed at various points of time both through diplomatic channels and also by the Governor, RBI with Governor, NRB. Although, earlier a view had been taken that acceptance of 500-rupee notes held by NRB should not be permitted because this was violating the FERA regulations of Government of India, the matter had been reviewed and it was decided that in case the Nepalese Government issued a notification to all its Banks not to buy or sell Rs. 500 notes, the matter could be reconsidered. The NRB had issued such a notification on 15th August, 1994. Hence, it was decided that as a one-time measure, the RBI would accept all the 500-rupee notes held in the NRB as on 15.8.1994.

Hence RBI had advised their Patna office to accept Rs. 500 denomination notes held by NRB as on 15-8-1994 to the extent of Rs. 57,56,10,500.

Since a number of cases of forgery of 500 rupee notes have been reported in the North East area, it is not considered appropriate to lift the present ban on movement of Rs. 500 notes between India and Nepal.

### UTI's Tax Saving Schemes

1957. SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state :

(a) the amount collected by the Unit Trust of India and other financial institutions under various Tax Saving Schemes (like the Master Equity Plan) during the each of last four years;

(b) the present "Net Asset Value" and "Market Value" of these schemes;

(c) the total amount of loss involved to the investors due to the discounted value of these schemes;

(d) the steps taken by the Government to safeguard the interests of the investors;

(e) whether the investors are entitled to off-set these losses against their income; and

(f) if not, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (f). The information is being collected and will be laid on the Table of the House.

### Time Limit for Disposal of Cases by BIFR

1958. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are considering a proposal to restrict the role of the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) barring its jurisdiction to give rulings on interim orders by the Board for Industrial and Financial Reconstruction (BIFR);

(b) if so, the rationale thereof;

(c) the extent to which it is likely to help in expediting the cases and whether any time-bound programme is envisaged to ensure that the BIFR is able to decide a case within the prescribed time-limit; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (d). Certain suggestions including the suggestion that 'only final orders of the Board for Industrial and Financial Reconstruction (BIFR) should be appealable and not the entire proceedings' are under consideration of Government. However, no final decision has been taken.

### Revival of Textile Mills

1959. SHRI SANDIPAN THORAT : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government of Maharashtra has sent a proposal for revival of textile mills in the state;

(b) if so, the details thereof alongwith the action taken by the Government thereon; and

(c) the financial help extended by the Union Government for revival/modernisation of sick textile mills of Maharashtra?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) and (b). The Government of Maharashtra has

requested for assistance of Rs.74.83 crores from the National Renewal Fund for payment of gratuity and compensation under the Voluntary Retirement Scheme to the staff of the Maharashtra State Textile Corporation Ltd. and the Textile Corporation of Marathwada Ltd. However, assistance from the National Renewal Fund has been provided for implementation of Voluntary Retirement Scheme in Central Public Sector Undertaking only.

(c). Government has set up Board for Industrial and Financial Reconstruction (BIFR) to enquire into the working of sick industrial companies and to prepare and sanction as appropriate schemes for their revival.

### Enrolment of Government Employees as Advocate

1960. SHRI MANGAL RAM PREMI : Will the Minister of LAW AND JUSTICE be pleased to refer to the reply given to Unstarred Question No. 1506 dated August 3, 1994 regarding Enrolment of Government Employees as advocates and state :

(a) whether the matter has since been examined in consultation with the Department of Personnel and Training and the Bar Council of India;

(b) if so, the outcome thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c). The assurance given in respect of the question has since been fulfilled. The statement fulfilling the assurance alongwith the answer to USQ No.4520 dated 25.8.93 referred to in the Statement were laid on the table of the House on 14.2.95. Copies of fulfilment statements in respect of the above questions are given in the attached statement.

### STATEMENT

XI SESSION, 1994 OF 10TH LOK SHABHA			Date of fulfilment - 25.1.1995	
Ministry of Law, Justice & Company Affairs (Department of Legal Affairs)				
Q.No. Date & name of M.P.(s)	Subject	Promise made	When & how fulfilled	Remarks
1	2	3	4	5
USQ No. 1506 dated 3.8.94 by Shri Jeewan Sharma	<b>Enrolment of Government Employees as advocates</b> Referring to the replies given to USQ Nos. 4520, 3245 and 371 dated August 25, 1993, December, 22, 1993 and February 23, 1994 and asking : (a) whether the information has since been collected; (b) if so, the details thereof; (c) the action taken in the matter, and (d) if not, the reasons for the delay?	(d) The matter is being examined in consultation with the Deptt. of Personnel & Training and The Bar Council of India	(d) A statement fulfilling the assurance given in response to USQ No. 4520 dated 25.8.93 has been laid on the table of the house.	

## VII SESSION, 1993 OF TENTH LOK SABHA

Date of fulfilment : 25.1.1995

Ministry of Law, Justice &amp; Company Affairs (Department of Legal Affairs)

Q.No. date & Name of Member	Subject	Promise made	When and How fulfilled	Remarks
USQ No. 4520 dt. 25.8.93 by Shri Jeewan Sharma	<b>Enrolment of Government Employee as Advocate</b> Asking :- (a) whether according to the Code of Professional Conduct and Etiquette and Conditions for Right to Practice promulgated under the Advocates Act, 1961 a full-time salaried employee of Govt. has been debarred from enrolment and practice as an advocate with the exception of Law Officer; (b) If so, whether the Dept. of Personnel and A.R. U.O.D.207/74-Estt. (A) dated 15.1.1974 runs contrary to the Advocates Act, 1961; (c) if not, the facts thereof; and (d) the number of whole-time salaried employees of the Govt. of India, not appointed as Law Officers, but have been enrolled and are practising as advocates on behalf of the Govt. or otherwise?	(a) to (d) The information is being collected and will be laid on the Table of the House	(a) Yes, Sir (b) & (c). The Minister of State in the Ministry of Personnel, Public Grievances and Pension while replying to Starred Question No. 319 dated 23.12.1993 In Rajya Sabha had stated that the clarification issued in 1974 has a limited relevance in the context of the CCS (Conduct) Rules, while enrolment with the Bar Council is decided according to the Rules framed by the Bar Council in this regard. (b) The Bar Council of India has reported that one complaint against the enrolment of a Government employee has been received and necessary action for the cancellation of enrolment of the person concerned is being taken by the Council.	

**Voluntary m Retirement Scheme**

1961. SHRI SANAT MEHTA : Will the Minister of INDUSTRY be pleased to state :

(a) the number of Central Public Sector Units which have availed of Voluntary Retirement Scheme with National Renewal Fund assistance in 1995-96;

(b) how many of the retrenched employees had been retrained under the Scheme of Employees Assistance Centres with the help of NRF assistance till 1995-96; and

(c) the total expenditure incurred on the scheme till date?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) According to the Revised Estimates, in

1995-96 budgetary allocations from the National Renewal Fund were made for implementation of Voluntary Retirement Scheme in 61 Central Public Sector Undertakings including holding companies.

(b) and (c). According to information available from the Nodal Agencies under the Scheme of Employee Assistance Centres, 10,775 rationalised workers have been provided retraining assistance and an amount of Rs.8.58 crores was released to the Nodal Agencies till 1995-96.

**Trade Agreements**

1962. SHRI SOUMYA RANJAN : Will the Minister of COMMERCE be pleased to state :

(a) the details of countries which have trade relations with India; and

(b) the details of the trade agreements made by the Government with each of these countries during each of the last three years?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BULLA BULLI RAMAIAH): (a) Sir, India has trade relations with almost all the major countries in East Asia, West Asia, East Europe, West Europe, America, Africa, CIS, Latin America and other regions.

(b) Briefly, most of the trade agreements stipulate the facilitation of bilateral trade between the two countries, efforts to expand bilateral trade, according to MFN treatment to each other in the matters tariffs, custom regulations, etc. effecting of payments in freely convertible currencies, providing assistance in holding trade fairs and exhibitions, periodic review of implementation of the agreement through the mechanism of Joint Commissions/Trade Committees, exchange of information/delegation etc. Names of countries with whom trade agreements were signed during the last three years are given in the attached statement.

#### STATEMENT

*Names of countries with which trade agreements were signed by Ministry of Commerce during the last three years*

1993-94	1994-95	1995-96
Ivory Coast	South Africa	Burkina Faso
European Union	Croatia	Namibia
Slovak	Tunisia	Georgia
Czech	Israel	
—Slovenia	Myanmar	
	(Border Trade Agreement)	
Tajakistan		
Armenia		
Moldova		
Belarus		
Uzbekistan		
Lithuania		
Latvia		
Estonia		
Oman		

#### Jute Mills

1963. DR. PRABIN CHANDRA SARMA : Will the Minister of TEXTILES be pleased to state :

(a) the number of jute mills functioning in the North Eastern Region and the number of workers employed therein, mill-wise;

(b) whether these mills are facing problems on account of shrinkage in market due to competition from lower priced synthetic substitutes; and

(c) if so, the remedial steps being taken to tide over these difficulties?

#### THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a)

State	Name of Jute Mills	Average workers (Nos.)
Assam	Assam Co-Op Jute Mills Ltd.	800
Tripura	Tripura Jute Mills Ltd.	1,300

(b) and (c). Jute Mills in the country have been generally facing problems, inter alia an account of shortage of high jute prices; as well as competition from cheaper synthetic substitutes. The scenario in the North Eastern States is also affected by the limited local market potential, higher transportation cost, high production cost, besides poor machinery condition, low labour & machine productivity etc. The Government has taken measures aimed at encouraging modernisation of Jute Mills as also development of value added jute diversified products to promote newer uses of the fibre.

#### Inflation Rate

1964. SHRI SUSHIL CHANDRA : Will the Minister of FINANCE be pleased to state :

(a) the differential between the movements of the Wholesale Price Index (WPI) and the Consumer Price Index in India during the last three years with the reasons therefor;

(b) whether the point-to-point variation in WPI helps in projecting the rate of inflation at about 45 percent of the actual average increase in prices over the same period;

(c) whether the Government propose to revise its formula for calculation of the rate of inflation on a realistic basis hereafter; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The movement of the current series of Wholesale Price Index (WPI) and Consumer Price Index for Industrial Workers (CPI-IW) for the last three years is listed in the attached statement. Variation in the magnitude of the two indices is due to the difference in the composition and relative weights of their basket of commodities.

(b) No, Sir.

(c) and (d). The proposal of revision of the current series of WPI and the modality to be adopted for computation of inflation rate alongwith other relevant issues are under consideration of the Working Group set up for the purpose under the Chairmanship of Prof. Y.K. Alagh.

**STATEMENT***Monthly Index of WPI and CPI(IW)*

Month		WPI Base: 81-82	CPI (IW) Base: 1982	Absolute Difference
1	2	3	4	5
Apr. 1993		234.6	245	10.4
May		237.0	246	9.0
Jun		239.8	250	10.2
Jul		243.1	253	9.9
Aug		247.0	256	9.0
Sep		250.9	259	8.1
Oct		252.2	262	9.8
Nov		251.6	265	13.4
Dec		251.7	264	12.3
Jan 1994		252.7	263	10.3
Feb		254.8	265	10.2
Mar		257.6	267	9.4
Apr		262.3	269	6.7
May		265.4	272	6.6
Jun		268.1	277	8.9
Jul		271.3	281	9.7
Aug		272.1	284	11.9
Sep		273.2	288	14.8
Oct		274.7	289	14.3
Nov		276.2	291	14.8
Dec		279.9	289	9.1
Jan 1995		283.3	289	5.8
Feb		284.7	291	6.3
Mar		284.9	293	8.1
Apr		288.4	295	6.6
May		291.7	300	8.4
Jun		292.6	306	13.4
Jul		294.2	313	18.8
Aug		296.1	315	18.9
Sep		297.4	317	19.6
Oct		297.9	319	21.1
Nov		299.2	321	21.8
Dec		297.8	317	19.2
Jan 1996		297.4	315	17.6
Feb		297.9	316	18.1
Mar		299.4	319	19.6
Apr		301.4	324	22.6
May		304.1	328	23.9

**Outstanding of BHEL**

1965. DR. LAXMINARAYAN PANDEY : Will the Minister of INDUSTRY be pleased to state:

(a) whether there was any proposal to recover the outstanding amount of Rs.1600 crores owed by the State Electricity Boards (SEBs) to Bharat Heavy Electricals Ltd. (BHEL) through the Central Government's appropriation from States entitlements of 'Plan fund';

(b) if so, the modalities to be adopted for effecting the recovery;

(c) whether there is any resistance from States to this proposal on the ground that recovery of State Electricity Boards dues from States entitlements of 'Plan fund' would abridge their constitutional rights to central allocations; and

(d) if so, the alternative arrangements contemplated to liquidate SEBs dues to BHEL?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). As per the Government's decision, a total sum of Rs.509 crores (undisputed outstandings from SEBs/OPPs as on May '90) was paid to BHEL out of the plan assistance of the concerned states in four annual instalments from 1990-91 to 1993-94. After that, there has been no such recovery, through adjustments against allocation of Plan funds to the States.

(c) and (d). Recovery of BHEL's dues by way of adjustment against allocation of Plan funds to the states did not find support from the states on the ground that it would reduce the resources available for funding annual plan of these states thereby adversely affecting the implementation of the annual plans.

However, BHEL has been pursuing the matter with the concerned SEBs and the State Governments for the release of the outstanding dues. Department of Heavy Industry is also extending necessary help to BHEL in persuading the State Governments to release BHEL's outstanding dues from time to time.

**Identity Cards to Voters**

1966. SHRI MRUTYUNJAYA NAYAK : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government are aware that Identity Cards of the voters are being used for many purposes other than casting the votes in elections; and

(b) if so, whether the Union Government have asked the State Governments through the Election Commission to enable the Identity Cards to voters latest by March 31, 1997?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) Yes, Sir,

(b) The Election Commission is reviewing the entire matter with a view to ensuring that identity cards are issued to all eligible electors within a revised time-frame. The Commission, however, has not yet fixed any revised deadline for issuance of photo identity cards to all electors.

[Translation]

#### Price Index

1967. PROF. PREM SINGH CHANDUMAJRA :  
SHRI NITISH KUMAR :

Will the Minister of FINANCE be pleased to state :

(a) the details of the increase in the consumer price index in the country during 1996;

(b) whether there has been a wide gap between the wholesale price index and consumer price index in the country during the last three years; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The details of increase in the Consumer Price Index for industrial workers, CPI(IW) and the Wholesale Price Index (WPI) for the last three years and the gap between the two series are given in the attached statement.

The CPI(IW) during the year 1996 has increased from 315 in January, 1996 to 328 in May, 1996. The gap between WPI and CPI(IW) ranged between a low of 6.6 to a high of 14.8 during the period April, 1993 to May, 1995. Thereafter the gap has increased to a high of 23.9 by May 1996.

(c) variation in the magnitude of rise between the two indices is due to the difference in the composition and relative weights of their respective basket of commodities. The WPI monitored on weekly basis monitors movement of wholesale prices of 447 commodities of all traded goods. The CPI (IW) reflects monthly movements in retail prices of 260 commodities and services. The high relative rise in CPI(IW) reflects the impact of increase in prices of food and food products which have a higher weightage in CPI(IW) than in WPI.

#### STATEMENT

##### Monthly Index of WPI and CPI(IW)

Month	WPI Base 81-82	CPI (IW) Base 1982	Absolute difference
1	2	3	4
Apr 1993	234.6	245	10.4
May	237.0	246	9.0
Jun	239.8	250	10.2
Jul	243.1	253	9.9
Aug	247.0	256	9.0

1	2	3	4	5
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Jan 1996		297.4	315	17.6
Feb		297.9	316	18.1
Mar		299.4	319	19.6
Apr		301.4	324	22.6
May		304.1	328	23.9

[English]

#### Smuggling of Arms/Drugs

1968. SHRI JAGAT VIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that Arms and Drugs are pouring in India through various Indo-Pak boundaries; and

(b) if so, the steps being taken to stop such inflow?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. Reports of enforcement agencies indicate the Indo Pakistan border is vulnerable to smuggling of arms and drugs.

(b) Field formations are alert to detect and prevent smuggling including smuggling of arms and drugs. Measures taken to deter smuggling include strengthening of anti smuggling formations, fencing of the border, intensive patrolling, use of equipment like hand held search lights, night vision binoculars and strengthening of intelligence network. Anti smuggling agencies of centre and states are acting in a concerted manner to thwart attempts to smuggle contraband including arms and drugs on Indo Pak Border.

[Translation]

#### **Suggestion Made by FICCI for Increasing Exports**

1969. SHRI RAJESH RANJAN ALIAS PAPPU YADAV : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have received any scheme from the Federation of Indian Chambers of Commerce and Industry (FICCI) to encourage exports;

(b) if so, the details thereof;

(c) the action taken by the Government in this regard; and

(d) if not, the steps proposed to be taken by the Government to encourage exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The Federation of Indian Chambers of Commerce and Industry, New Delhi have made some suggestions regarding Exim Policy and measures to promote exports. The paper has inter alia mentioned problems such as supply and cost of power, port facilities, infrastructure bottlenecks, liquidity crunch, incidence of taxes and levies etc. It has suggested the strengthening of information base and commercial intelligence, promoting Indian investment overseas and the need for building brand image for Indian products besides suggestions on Exim Policy changes.

(c) and (d). Steps are continuously being taken to boost exports in consultation with trade, industry and other concerned institutions. These include simplification of Export Import Policy and procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation etc. Very recently, India Brand Equity Fund has been launched; the Central Budget for 1996-97 has also given emphasis for attracting investment for infrastructure development.

#### **Evasion of Excise/Customs Duty by Companies**

1970. SHRI RAM KRIPAL YADAV :  
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of FINANCE be pleased to state :  
(a) the names of such companies against whom departmental and/or judicial action is being taken for

evasion of excise duty and/or customs duty to the tune of more than 100 crores rupees;

b) the names of those companies against whom such cases have been pending in Central Excise Gold Control Appellate Tribunal, High Courts or Supreme Court for more than three years; and

(c) the steps being taken by the Government for speedy recovery of the said amount?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). Companies against whom proceedings have been initiated on charge of evasion of Central Excise and/or Customs duties of more than Rs. one hundred crores are :

1. M/s I.T.C. Ltd.
2. M/s GTC Ltd.
3. M/s National Tobacco Co./Duncan Agro Industries Ltd.
4. M/s Reliance Industries Ltd.
5. M/s Mehta Trading House Pvt. Ltd.
6. M/s Indian Charge Chrome Ltd.

None of the cases are pending before CEGAT, High Courts or the Supreme Court for more than three years.

Various measures are being taken to expedite finalisation of the cases at the stage of adjudication and appeal before the Tribunal and Courts. These include appointment of common adjudicators to exclusively deal with some of the cases which are complex, appointment of senior Counsel to represent the Department and amendment of the Central Excise & Salt Act 1944 and Customs Act 1962, to provide for interest to be charged on delayed payment of duty.

[English]

#### **Prime Minister's Rozgar Yojana**

1971. SHRI THAWAR CHAND GEHLOT : Will the Minister of INDUSTRY be pleased to state :

(a) the target fixed and achievement made for the year 1995-96 under the Prime Minister Rozgar Yojana, State-wise;

(b) whether the achievement of Madhya Pradesh Government is not in accordance with the target fixed as on March 31, 1996, and

(c) the number of persons who were provided loans under the above scheme upto March 31, 1996 along with the total amount of loan provided?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Under the Prime Minister's Rozgar Yojana, a target of 2,60,000 beneficiaries was fixed for the year 1995-96 inclusive of earlier years backlogs. The State/UT Governments were communicated targets so as to achieve the national target. The statement showing State-



wise achievement for the year 1995-96 under Prime Minister's Rozgar Yojana is attached.

(b) During the year 1995-96, the target fixed by Government of India for Madhya Pradesh was 27,050. The Madhya Pradesh Government has reported that 31,566 persons were sanctioned loans.

(c) Disbursement of cases sanctioned during a particular financial year also takes place in the succeeding year. On the basis of reports from States/UTs and RBI, of the cases sanctioned upto 31.3.1996, the number of cases disbursed now is reported as 3,12,797 amounting to Rs. 1,61,911.55 lakhs.

#### STATEMENT

Statement showing State-wise achievement made under Prime Minister's Rozgar Yojana during 1995-96

Sl. No.	State/UT	Target (No.)	Number of Applications sanctioned by banks
1	2	3	4
1.	Andhra Pradesh	31900	32556
2.	Assam	9900	9852
3.	Bihar	22150	15751
4.	Delhi	4550	3799
5.	Goa	550	499
6.	Gujarat	8500	10190
7.	Haryana	7200	9353
8.	Himachal Pradesh	2100	2578
9.	J & K	3100	2435
10.	Karnataka	17700	16887
11.	Kerala	15000	14135
12.	Madhya Pradesh	27050	31566
13.	Maharashtra	35900	40392
14.	Manipur	4000	1242
15.	Mizoram	250	240
16.	Orissa	8250	8229
17.	Punjab	15000	15531
18.	Rajasthan	10400	10272
19.	Tamil Nadu	21800	19304
20.	Tripura	1300	1225
21.	Uttar Pradesh	35813	37324
22.	West Bengal	22900	8416
23.	Andaman & Nicobar	100	101
24.	Arunachal Pradesh	300	287
25.	Chandigarh	150	171
26.	Dadra & Nagar Haveli	150	156
27.	Daman & Diu	100	116
28.	Nagaland	300	267
29.	Lakshadweep	50	26

1	2	3	4
30.	Meghalaya	550	566
31.	Pondicherry	500	513
32.	Sikkim	200	169
Total			294148

Note : In case of some states applications have been recommended/sanctioned out of pending cases of 1994-95.

#### Suggestions by F.I.C.C.I.

1972. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether Federation of Indian Chambers of Commerce and Industry (FICCI) has submitted a 16-point plan to mitigate liquidity crunch;

(b) if so, the details thereof; and

(c) the steps taken by the Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) In a memorandum, The Federation of Indian Chambers of Commerce and Industry (FICCI) has suggested some long and short term measures to augment the flow of credit and investible funds for fast growing Indian Economy.

(b) These suggestions include, inter alia, the development of debt market, reduction of fiscal deficit, measures to accelerate the inflow of foreign capital, setting up of money market mutual funds, disinvestment of a part of the shareholding of financial institutions, permitting private sector entry into insurance sector, further encouragement to private sector banks and reduction in Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR).

(c) The Government and the RBI are fully aware of the need to ensure the flow of adequate funds for production and trade in our growing economy and have already initiated several measures in this direction in the past four months.

The CRR on net domestic demand and time liabilities has been reduced from 14% to 12% and the Non-Resident (External) Rupee deposits have also been fully exempted from CRR. The SLR on the outstanding NRER Accounts has been reduced to 25% from 30%. The guidelines on GDR and Foreign Currency Convertible Bonds have been liberalised. Money market mutual funds have been thrown open to the corporates and others. Apart from reduction in minimum maturity to 30 days, the interest rate on term deposits of over 1 year has been deregulated to help banks attract more deposits.

The current year's budget, inter alia, seeks to encourage inflow of foreign funds opening up of more

private sector banks and has programmed the reduction of gross fiscal deficit to 5% of GDP.

#### Private Sector Banks

1973. Shri RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the news-item captioned "Private Sector Banks for level-playing field" appearing in the 'Hindustan Times' dated June 8, 1996;

(b) if so, the facts thereof; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) The President of the Private Sector Banks Association has raised certain issues, like, not inviting the representatives of the private sector banks during the credit policy meeting convened by Governor, RBI, non-acceptance of guarantees issued by private sector banks by Government Departments and public sector undertakings, non-reckoning of current account balance maintained with private sector banks as eligible assets for SIR purpose, non-banking financial companies (NBFCs) can deposit the liquidity required to be maintained by them only with nationalised banks, etc.

(c) Reserve Bank of India (RBI) has reported that the issue of inviting some representatives of private sector banks on a regular basis is under its examination. 'Private Sector Banks' had been invited on some occasions. RBI has further reported that bank guarantees can be freely accepted by Central Government Departments, Railways and State Governments from all scheduled commercial banks. As regards computation of SLR, RBI has stated that as per the provisions of Section 24 of the Banking Regulation Act, balances in the current account maintained with the public sector banks only are eligible for computation of SLR.

So far as deposit of the amount of liquidity by NBFCs is concerned, RBI has reported that there is no discrimination against private sector banks. The only condition is that the bank should be scheduled.

#### Higher Denomination Notes

1974. SHRI ANAND RATNA MAURYA :  
SHRI SATYADEO SINGH :  
SHRI MAHESH KUMAR M. KANODIA :  
SHRI PANKAJ CHOWDHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to introduce thousand, five thousand and ten thousand denomination currency notes in the near future;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) There is no proposal under consideration of the Government at this stage to introduce 1000, 5000 and 10000 denomination currency notes.

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

#### Export to Russia under Debt Repayment Fund

1975. SHRI PRABHU DAYAL KATHERIA :

SHRI ANANTH KUMAR :

Will the Minister of FINANCE be pleased to state :

(a) whether some cases of illegal diversion of goods meant for Russia under debt repayment funds to third countries have come to the notice of the Government;

(b) if so, the details of such cases detected so far during 1995 and 1996; and

(c) the action taken against the persons found guilty?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Some cases of exports meant for Russia but diverted to other countries have been reported to the Government. Such cases of diversion have been reported by Reserve Bank of India in respect of nine cases, by Directorate of Revenue Intelligence in one case and Enforcement Directorate in respect of three cases. Investigations and adjudication proceedings are in progress.

(c) Nature of action taken would be known only after completion of all the investigations and adjudication proceedings.

#### Disbursal of Bank Loans to S.S.Is

1976. SHRI N. DENNIS : Will the Minister of FINANCE be pleased to state the details of the latest guidelines issued by the Government to the banks regarding disbursal of loans for starting small scale industries and release of funds under poverty alleviation programme?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : Government does not issue any guidelines to the commercial banks regarding disbursal of loans. However, guidelines issued by Reserve Bank of India (RBI) in March, 1984 provide that all loan applications upto a credit limit of Rs.25,000/- shall be disposed of within 8 to 9 weeks. Banks have been advised that requests for increase in limits should be considered expeditiously and decisions should be taken promptly. Further, all cases of rejections/curtailment of limits to Small Scale Industrial (SSI) units should be looked into by the next higher authority so as to ensure that the entrepreneurs are not put to unnecessary hardships.

The details of broad guidelines issued by the RBI to all scheduled commercial banks following the acceptance of the recommendations of Nayak Committee Report, inter-alia include :

- i) to grant working capital credit limits to SSI units computed on the basis of a minimum of 20% of their projected annual turnover to the SSIs whose credit limits in individual cases is less than Rs.one crore;
- ii) to give preference to village industries, tiny industries and other small scale units in that order while meeting the credit requirements of the sector;
- iii) to prepare annual budget on the "bottom-up" basis to ensure that the legitimate requirements of SSI sector are met in full during the VIII Five Year Plan period;
- iv) to ensure that there should not be any delay in sanctioning and disbursal of credit to SSI sector; and
- v) to extend the 'Single Window Scheme' of Small Industries Development Bank of India (SIDBI) to all districts.

Under Integrated Rural Development Programme (IRDP), back-end subsidy system has been introduced with effect from February, 1996. As per the scheme, full project cost including subsidy would be disbursed to the borrowers as loan by banks. Subsidy amount would be kept in the form of fixed deposit in the name of the beneficiary subject to the bank's lien. The repayment schedule of loan would be drawn in such a way that the fixed deposit (subsidy) alongwith the interest accrued for the entire period of the deposit in compounded manner would be sufficient for adjustment towards the last few instalments. The availability of the benefit of subsidy to borrowers would be contingent on their proper utilisation of loan as also its prompt repayment and maintaining the asset in good condition.

Under the Scheme of Urban Micro Enterprises (SUME), a poverty alleviation programme under Nehru Rozgar Yojana (NRY), RBI in June, 1990, had inter-alia advised the banks that as far as possible the entire loan amount and subsidy may be disbursed together in one instalment. Disbursement of loan in stages (not exceeding three in any case) might be done in exceptional cases and for valid reasons. Banks should disburse the the entire amount of subsidy eligible to the borrower in such cases as soon as 25 per cent of the sanctioned loan amount is disbursed.

Under the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) RBI in January, 1996 advised the banks that the subsidy to be given by the Government would be passed on to the banks through the Urban Local Bodies in advance so that the bank branch disbursing loan may treat subsidy amount as fixed deposit in the name of the borrower.

#### Export of Agro-Products

1977. SHRI SARAT PATTANAYAK :  
SHRIMATI VASUNDHARA RAJE :  
SHRI MANIKRAO HODLYA GAVIT :

Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of foodgrains exported and the foreign exchange earned therefrom during each of the last three years, country-wise and item-wise

(b) whether the Government have any proposal to increase the export of agro-products during 1996-97;

(c) if so, the details thereof; and

(d) the steps taken by the Government to boost the export of agro-products?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The quantity and value of foodgrains exported during the past three years have been as follows :

Quantity : In Metric Tonnes			Value : In Rupees Crores			
Item	1993-94		1994-95		1995-96	
	Qty.	Value	Qty.	Value	Qty.	Value
1. Rice	767687	1286.71	890620	1205.79	5512601	4553.01
2. Wheat	390	20.58	86628	42.34	617211	360.90
3. Coarse Grains	148316	34.02	50507	28.03	28047	17.15
Total	916393	1341.31	1027755	1276.16	6157859	4931.06

(Source : DGCI&S, Calcutta)

The country-wise export figures are available in the monthly bulletin/annual numbers of the Foreign Trade Statistics Published by the DGCI&S, Calcutta, copies of which are available in the Parliament Library.

(b) to (d). Steps taken to enhance export of agricultural products include simplification of inspection procedures, removal of Minimum Export Price and Quantity restrictions on selected items, provisions of concessional credit, product development to meet international needs, extension of benefits available under the scheme of EOUs/EPZs to agriculture sector and permitting 50% sale in the domestic tariff area, free import of raw cashew nuts for augmenting domestic supply, quality testing and facilities to maintain the cold chain.

### Inspection of Banks

1978. SHRI ANANTH KUMAR :

SHRI VIJAY GOYAL :

Will the Minister of FINANCE be pleased to state :

(a) whether the working group set up by the Reserve Bank of India to suggest changes in the approach, thrust and style of inspections of banks has submitted its report to the R.B.I. recently;

(b) if so, the details of the recommendations made by the working group; and

(c) the reaction of the Government thereon;

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. The Working Group has submitted its report to RBI on November 8, 1995.

(b) The major recommendations of the Group are as under :

- i) Strategy: The Working Group has recommended a shift in Supervisor strategy from periodic inspection to a system of continuous/ongoing supervision and periodical inspection. The system envisaged integration of the newly introduced off-site monitoring system with periodical on-site inspections. The focus of the inspection has to be on solvency capital adequacy, liquidity, operations soundness and managerial prudence.
- ii) Periodicity : The Group has recommended on sight inspection for weak banks on annual basis and for sound banks on biennial basis based on their reported/assessed financial and operational conditions and compliance record. The rating of banks would be important factor for deciding the periodicity of inspections.
- iii) Inspection output : Inspection should focus and produce output relating to assessments on three broad areas:
  - a) financial condition;
  - b) operating conditions (systems and controls) and quality of Management; and

c) regulatory compliance: Assessment of financial condition would consist of separate assessment on asset quality, solvency, capital adequacy, liquidity and earning performance.

The group has also recommended supplementary on-site assessments between the inspections namely targeted appraisals; targeted appraisals at control sites; commissioned audits; and Monitoring visits.

Action plans incorporating identified concerns arising out of on-site inspections would be monitored by the Department of Supervision (DOS) on regular basis.

iv) Rating of Banks: The group has recommended to adopt a rating systems for banks. The rating would be on five-score of (a) to (e) based on their strength and soundness of rating factors, namely capital adequacy, asset quality, management, earnings, liquidity, systems and controls (CAMELS) for Indian Banks and capital adequacy, asset quality, compliance, systems & controls (CACS) for Foreign Banks.

(c) RBI has reported that major recommendations of the Working Group have been largely accepted by RBI.

### Dues against Maharashtra

1980. SHRI MOHAN RAWALE :

SHRI JAGAT VIR SINGH DRONA :

Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation has to pay some outstanding dues to the Maharashtra State Cooperative Cotton Federation for purchase of cotton from time to time;

(b) if so, the details thereof;

(c) whether the Government of Maharashtra has been requesting the Union Government for payment of these outstanding dues; and

(d) if so, the reaction of the Union Government thereto?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) to (d). As on 31.5.1996, the NTC had to pay an amount of Rs.98.30 crores to the Maharashtra State Cooperative Cotton Growers' Marketing Federation towards purchase of cotton. Since cotton is purchased by the NTC mills on credit terms, there are always bound to be certain outstanding dues at any given point of time. NTC is unable to clear all the outstanding dues on account of acute shortage of working capital. The request of State Govt./Maharashtra State Coop. Cotton Growers' Marketing Federation has been passed on to the NTC with a request to clear the dues at the earliest. NTC is expected to clear the dues depending upon the availability of the working capital.

### Trade with Nepal

1981. DR. SAHEBRAO SUKRAM BAGUL:  
SHRI SOHANBEER:

Will the Minister of COMMERCE be pleased to state:

(a) Whether India had recently agreed to grant liberal concession to Nepal in an effort to further boost bilateral trade and joint investment;

(b) If so, the broad features of the official talks held in Kathmandu earlier this month between the Commerce Secretaries of India and Nepal; and

(c) the reaction of the respective Commerce Ministers to the outcome of the discussions at the Commerce Secretary-level?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) Discussions were held between the Commerce Secretaries of India and Nepal in Kathmandu on 4-7 July, 1996 to suggest measures for promotion of Nepalese exports to India and to promote Indian investment in Nepal.

(b) The issues discussed included liberalisation in the criteria and procedures for preferential entry free of customs duty and quantitative restrictions, for Nepalese manufactured goods into India, improvements in the procedure for levy of countervailing duty on imports from Nepal into India, simplification of procedure for smooth clearance of Nepalese transit cargo through India, transit facilities for Nepal-Bangladesh trade, promotion of Indian joint ventures in Nepal, Establishment of Export Oriented Units/Export Promotion Zones in Nepal with Indian assistance and cooperation to control unauthorised trade.

(c) The understandings arrived at in the said discussions in Kathmandu have been broadly welcomed at the level of the respective Commerce Ministers.

[Translation]

### Computerisation in I.T. Deptt.

1982. SHRI SATYADEO SINGH:  
SHRI PANKAJ CHOWDHARY:  
DR. RAMAKRISHNA:

Will the Minister of FINANCE be pleased to state :

(a) Whether any proposal regarding the computerisation in Income-Tax Department is under the consideration of the Government;

(b) if so, the number of phases in which the computerisation system will be introduced;

(c) the number and name of the places in the country where this system will be introduced in first phase;

(d) the amount likely to be spent thereon; and

(e) the time by which the country is likely to get the benefit of this computerisation system?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). Yes, Sir. A programme for comprehensive computerisation is being implemented in the Income-Tax Department in three phases. In the first phase, comprehensive computerisation is being implemented in Delhi, Mumbai and Madras where Regional Computer Centres have been set up. In the second phase, comprehensive computerisation will be extended to the remaining centres in the country along with setting up of the National Computer Centre. In the third phase, all the Income-tax offices will be connected to the respective Regional Computer Centres.

(d) So far a sum of Rs. 31.14 crores has been spent on comprehensive computerisation in the three cities of Delhi, Mumbai and Madras.

(e) The benefits of computerisation start flowing in as various stages of implementation are completed. With passage of time and progress in implementation, the scale of the benefits would grow.

[English]

### Switching of Tobacco into Vegetable Cultivation

1983. SHRI KRISHAN LAL SHARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether tobacco companies are using their market share in the country;

(b) if so, the details thereof;

(c) whether many companies have diverted into food processing and have asked tobacco growers to grow vegetables;

(d) if so, the reasons therefor;

(e) whether the Government propose to help those farmers to switching out vegetable cultivation; and

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

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Tobacco Companies are continuing to purchase their requirements of FCV (Flue Cured Virginia) tobacco for domestic consumption as well as for exports from the auction platforms operated by the Tobacco Board.

(c) and (d). Some tobacco companies have diversified into other areas including food-processing as a part of their overall business strategy and this has not been done by them with a view to replace FCV tobacco crop.

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

[Translation]

**Drug Trafficking**

1984. DR. G.R. SARODE : Will the Minister of FINANCE be pleased to state :

(a) the number of persons apprehended for drug trafficking during each of the last three years. State-wise:

(b) whether some foreign citizens have also been apprehended for drug trafficking; and

(c) if so, the number of foreign drug traffickers arrested during the above period?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) As per available information, a Statement showing the number of persons arrested under N.D.P.S. Act, 1985 during the last three years, State-wise is attached.

(b) Yes, Sir.

(c) As per available information, 144, 136 and 148 foreign nationals were arrested for drug trafficking under N.D.P.S. Act, 1985 during the years 1993, 1994 and 1995 respectively.

**STATEMENT**

*Statewise No. of Persons arrested under NDPS Act, 1985*

STATE/U.T.	1993	1994	1995
1	2	3	4
1. ANDHRA PRADESH	218	404	945
2. ARUNACHAL PRADESH	12	50	14
3. ASSAM	201	122	104
4. BIHAR	126	198	32
5. GOA	36	37	24
6. GUJARAT	212	294	458
7. HARYANA	154	143	104
8. HIMACHAL PRADESH	72	93	58
9. JAMMU & KASHMIR	37	43	51
10. KARNATAKA	217	137	1
11. KERALA	22	152	183
12. MADHYA PRADESH	752	1110	134
13. MAHARASHTRA	1404	694	622
14. MANIPUR	328	941	186
15. MEGHALAYA	40	92	10

1	2	3	4	5
16. MIZORAM	122	104	211	
17. NAGALAND	116	79	85	
18. ORISSA	92	217	7	
19. PUNJAB	324	316	386	
20. RAJASTHAN	203	424	224	
21. SIKKIM	-	-	-	
22. TAMIL NADU	2503	2850	2411	
23. TRIPURA	16	32	1	
24. UTTAR PRADESH	5732	5969	7479	
25. WEST BENGAL	173	255	109	
26. DELHI	597	679	812	
27. DAMAN & DIU	-	-	-	
28. PONDICHERRY	4	1	5	
29. A & N ISLANDS	1	3	2	
30. LAKSHADWEEP	-	-	-	
31. D.N.HAVELI	-	-	-	
32. CHANDIGARH	9	13	15	
TOTAL	13723	15452	14673	

[English]

**Export of Ayurvedic and Pharmaceuticals**

1985. DR. MURLI MANOHAR JOSHI : Will the Minister of COMMERCE be pleased to state:

(a) the value of ayurvedic and other traditional indigenous drugs and pharmaceuticals exported during each of the last three years, country-wise:

(b) whether any incentives has been provided or proposed to be provided to boost the export of above medicines; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Value of ayurvedic and other traditional indigenous drugs and pharmaceuticals exported during 1993-94, 1994-95 and April, 95 to Jan. 96, as latest available are as under:

Value in Rs. Crores.

1993-94	45.10
1994-95	83.40
1995-96	69.00
(April, 95-Jan, 96)	

Country-wise details are available in the DGCI&S publication 'Foreign Trade Statistics of India' in the Parliament Library.

(b) and (c). Export of Ayurvedic and Pharmaceuticals is promoted by the Government through the means of

market development assistance, exchange of delegations, buyer-sellers meets, participation in trade fairs etc., and liberalisation in the policy and procedures.

[Translation]

### Barter Trade

1986. SHRI RAMASHRAYA PRASAD SINGH :

SHRI RAMESHWAR PATIDAR :

Will the Minister of COMMERCE be pleased to state:

(a) whether the Union Government have formulated any new trade policy to increase percentage of barter trade in the total export of the country;

(b) if so, the details thereof;

(c) whether the counter trade is increasing in the whole world whereas India has not been a major participant in this field;

(d) if so, the reasons therefor;

(e) the present policy of the Government in this regard;

(f) the details of trade agreements signed under the counter trade during each of the last three years; and

(g) the details of total exports made by the State Finance Corporation, Minerals and Metals Trading Corporation of India Ltd. and the Projects and Equipment Corporation of India Ltd. under the counter trade during the above period?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (e) The existing policy envisages three broad categories of Counter Trade:

(i) Counter trade against major Government or Public Sector Purchases;

(ii) Counter trade through ESCROW Account;

(iii) Counter trade through Evidence Account mechanism

Counter trade provisions against major purchases are currently applicable in respect of certain categories of major imports by Government departments or Public Sector Undertakings. In such cases, export is required to be made from a Positive list and is also subject to the fulfilment of the incremental criterion. Counter trade through ESCROW Account is now possible with any country without any restrictions. This mechanism facilitates trade with countries which are short of hard Currency. Counter trade through the Evidence Account mechanism is largely applicable to trade with Malaysia with most of the exports from India being in the form of projects.

An exercise to review the Counter trade policy aiming to increase Indian exports through the mechanism of counter trade is being undertaken.

There is a lack of data on the volume of counter trade in relation to total world trade.

(f) While PEC did not sign any Counter Trade Agreement during the last three years, STC signed three Counter trade MOUs and MMTC 52 Counter trade contracts in the last three years.

(g) PEC did not effect any export under Counter trade during the last three years. However, the details of total exports made by STC, MMTC under Counter trade during the last three years are given below:

( US \$ Million )

	STC	MMTC
1993-94	131.75	48.43
1994-95	114.85	23.15
1995-96	69.06	0.23
		(Provisional)

[English]

### Bank Branches

1987. SHRI HARIN PATHAK :

DR. BALI RAM :

SHRI VISHVESHWAR BHAGAT :

Will the Minister of FINANCE be pleased to state :

(a) the target fixed for opening of branches of different commercial banks in the country, State-wise especially in Gujarat, Uttar Pradesh and Madhya Pradesh during the Eighth Five Year Plan, bank-wise;

(b) the details of achievements made in that regard, State-wise, year-wise and bank-wise; and

(c) the details of bank branches proposed to be opened in the near future, State-wise and bank-wise?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Under the extant policy of Reserve Bank of India (RBI), it is left to the judgement of commercial banks of open branches after assessing the need therefor. The proposals for opening of the branches identified by the banks at centres/villages, which are recommended by State Governments are considered by the RBI on merits. However, RBI have given freedom to banks which fulfill the undernoted additional criteria to open new branches/convert their extension counters into fulfilled branches:

(a) compliance with capital adequacy of 8 per cent;

(b) a minimum owned funds of Rs 100 crores;

(c) the banks showing net profits continuously for three years; and

(d) the Non-Performing Assets not exceeding 15 per cent.

RBI have advised the banks satisfying the aforesaid criteria to submit to them a yearly plan duly approved by their Board of Directors for opening branches.

In view of the above, no target has been fixed for branch expansion programme. The bankwise and State-wise details of bank branches operating as on 31-3-1992, 31-3-1993, 31-3-1994 and 31-3-1995 are given in the statement-I and statement-II respectively.

(c) The centres allotted to banks after 31-3-1995 where the banks have not yet opened branches in the State of Gujarat, Madhya Pradesh and Uttar Pradesh as furnished by the RBI, are given in the statement-III. While allotting the centres for opening branches, RBI have advised banks that they may obtain necessary licenses from their concerned regional offices after all arrangements of infrastructural facilities such as premises are completed, and they may open the branches within the validity period of the license which is one year from the date of issue thereof.

#### STATEMENT-I

*Bank-wise Number of Branches in the Country as at the end of March, 1992, 1993, 1994 and 1995*

Bank	March 1992	March 1993	March 1994	March 1995
State Bank of India	8563	8632	8715	8748
Associate Bank of SBI	3752	3800	3890	3982
Allahabad Bank	1793	1805	1927	1940
Andhra Bank	948	957	967	970
Bank of Baroda	2285	2310	2375	2391
Bank of India	2323	2340	2370	2430
Bank of Maharashtra	1120	1124	1131	1131
Canara Bank	2031	2044	2091	2120
Central Bank of India	2998	3021	3051	3061
Corporation Bank	441	445	456	482
Dena Bank	1084	1092	1102	1087
Indian Bank	1358	1361	1386	1412
Indian Overseas Bank	1293	1300	1326	1332
New Bank of India	592	593	0	0
Oriental Bank of Commerce	533	537	576	604
Punjab & Sind Bank	675	682	683	688
Punjab National Bank	3006	3041	3684	3693
Syndicate Bank	1548	1553	1559	1569
UCO Bank	1779	1779	1785	1795
Union Bank of India	1843	1854	1886	1911
United Bank of India	1309	1320	1331	1330
Vijaya Bank	722	730	770	787
Other Scheduled Commercial Banks	3820	3849	3952	4034
Regional Rural Banks	14525	14526	14526	14519
Foreign Banks	139	141	143	151
Non-Scheduled Commercial Banks	48	48	48	33

#### STATEMENT-II

*State-wise Number of Bank Branches as at the end of March 1992, 1993, 1994 and 1995*

State	March 1992	March 1993	March 1994	March 1995
Andhra Pradesh	4620	4650	4732	4784
Arunachal Pradesh	68	68	68	68
Assam	1218	1219	1223	1225
Bihar	4862	4876	4902	4911
Goa	256	258	262	268
Gujarat	3374	3396	3444	3470
Haryana	1269	1279	1310	1335
Himachal Pradesh	735	738	753	756
Jammu & Kashmir	783	786	785	787
Karnataka	4281	4307	4344	4381
Kerala	2842	2863	2939	3009
Madhya Pradesh	4358	4384	4416	4423
Maharashtra	5596	5626	5691	5745
Manipur	85	85	85	86
Meghalaya	173	174	178	179
Mizoram	75	75	76	78
Nagaland	70	70	71	71
Orissa	2098	2112	2135	2142
Punjab	2140	2159	2206	2236
Rajasthan	3058	3079	3130	3156
Sikkim	29	33	40	42
Tamil Nadu	4299	4341	4414	4465
Tripura	178	179	181	181
Uttar Pradesh	8499	8538	8601	8620
West Bengal	4208	4220	4250	4262
Andaman & Nicobar Island	26	26	29	30
Chandigarh	109	112	115	120
Dadra & Nagar Havel	7	7	7	7
Daman & Diu	10	10	10	11
Delhi	1125	1136	1153	1172
Lakshadweep	8	8	8	8
Pondicherry	69	70	72	72



**STATEMENT-III**

**AUTHORISATIONS ISSUED BY RBI DURING THE PERIOD  
1-4-1995 TO 31-3-1996 TO COMMERCIAL BANKS FOR  
OPENING BRANCHES IN THE STATE OF GUJARAT,  
MADHYA PRADESH AND UTTAR PRADESH**

S. No.	Name of the Bank	Centre	District
1	2	3	4
<b>Gujarat</b>			
1.	Punjab National Bank	Naorangpura	Ahmedabad
2.	Punjab National Bank	Satellite Road	Ahmedabad
3.	Punjab National Bank	Mahsana	Mahsana
4.	Punjab National Bank	Jamnagar	Jamnagar
5.	Punjab National Bank	Bhavnagar	Bhavnagar
6.	Punjab National Bank	Vadodara	Vadodara
7.	Punjab National Bank	Adityanagar	Surat
8.	Dhanlaxmi Bank	Surat	Surat
9.	Dhanlaxmi Bank	Ahmedabad	Ahmedabad
10.	Corporation Bank	Ahmedabad	Ahmedabad
11.	City Union Bank Ltd.	Surat	Surat
12.	Vysya Bank Ltd.	Rajkot	Rajkot
13.	Indus Ind Bank Ltd.	Ahmedabad	Ahmedabad
14.	Sangli Bank Ltd.	Manavadar	Junagarh
15.	Bank of Maharashtra	Piraman	Bharuch
16.	Bank of India	Vatva Ind Estate	Ahmedabad
17.	State Bank of Saurashtra	Jamnagar	Jamnagar
18.	Vysya Bank Ltd.	Bhavnagar	Bhavnagar
19.	State Bank of Hyderabad	Rajkot	Rajkot
20.	Bank of Punjab Ltd.	Ahmedabad	Ahmedabad
21.	State Bank of Saurashtra	Sidhpur	Mehsana
22.	Bank of India	Bhuj	Kachchh
23.	HDFC Bank Ltd.	Narangpura	Ahmedabad
24.	Canara Bank	Ahmedabad	Ahmedabad
25.	Bank of India	Karchibagh	Vadodara
26.	Oriental Bank of Commerce	Ankleshwar	Bharuch
27.	Oriental Bank of Commerce	Bhuj	Kachchh
28.	State Bank of Bikaner and Jaipur	Gandhidham	Kachchh
29.	Dena Bank	Sanand	Ahmedabad
30.	Bank of India	Sanand	Valsad
31.	Bank of Sourashtra	Rajpipla	Bharuch
32.	Bank of Sourashtra	Talod	Sabarkantha
33.	Bank of Sourashtra	Junagadh	Junagadh
34.	Bank of India	Ahmedabad	Ahmedabad
35.	State Bank of Saurashtra	Satellite Road	Ahmedabad
36.	Union Bank of India	Surat	Surat
37.	Bank of Rajasthan Ltd.	Rajkot	Rajkot
38.	Bank of Rajasthan Ltd.	Bhavnagar	Bhavnagar

1	2	3	4
39.	Union Bank of India	Asaiwa	Ahmedabad
40.	Union Bank of India	Naupura	Surat
41.	Union Bank of India	Nizampura	Vadodara
42.	Union Bank of India	Mehsana	Mehsana
43.	Union Bank of India	S R. Road, Ahmedabad	Ahmedabad
44.	Union Bank of India	Alkapuri	Vadodara
45.	UTI Bank Ltd.	Vadodara	Vadodara
46.	Indian Overseas Bank	Premchand Nagar	Ahmedabad
47.	Canara Bank	Surat	Surat
48.	Canara Bank	Ahmedabad	Ahmedabad
<b>Madhya Pradesh</b>			
1.	UCO Bank	Korba	Bilaspur
2.	Oriental Bank of Commerce	Rajnandgaon	Rajnandgaon
3.	Oriental Bank of Commerce	Korba	Bilaspur
4.	Oriental Bank of Commerce	Raigarh	Raigarh
5.	Oriental Bank of Commerce	Sendwa	West Nimar
6.	State Bank of India	Hirni	Raipur
7.	Bank of Madras Ltd	Indore	Indore
8.	Bank of India	HCL Area	Bhopal
9.	Bank of India	Dewas	Dewas
10.	Bank of India	Laxmi Nagar	Indore
11.	Bank of India	Khargone	West Nimar
12.	Bank of India	Biaora	Raigarh
13.	State Bank of India	Maharajpura	Gwalior
14.	State Bank of India	Sulkia	Indore
15.	Allahabad Bank	Satna	Satna
16.	Canara Bank	Ratlam	Ratlam
17.	Vijaya Bank	Indore	Indore
18.	IDBI Bank Ltd	Indore	Indore
19.	Bank of Punjab Ltd	Indore	Indore
20.	Indus Ind Bank Ltd	Indore	Indore
21.	Union Bank of India	Napier Town	Jabalpur
22.	Union Bank of India	Katni	Jabalpur
23.	Union Bank of India	Sagar	Sagar
24.	UTI Bank Ltd	Bhopal	Bhopal
25.	Canara Bank	Mhow	Indore
26.	Canara Bank	Katni	Jabalpur
27.	Canara Bank	Satna	Satna
28.	Canara Bank	Bilaspur	Bilaspur
29.	Canara Bank	Khandwa	Khandwa
<b>Uttar Pradesh</b>			
1.	ICICI Banking Corp Ltd.	Noida	Ghaziabad
2.	Canra Bank	Gorakhnath	Gorakhpur
3.	Punjab & Sind Bank	Loni Border	Ghaziabad
4.	Oriental Bank of Commerce	Bhadohi	Varanasi
5.	Oriental Bank of Commerce	Mogra	Jaunpur
		Badshahpur	

1	2	3	4
6. Oriental Bank of Commerce	Gomti Nagar	Lucknow	
7. Oriental Bank of Commerce	Bajpur	Nainital	
8. Oriental Bank of Commerce	Kichha	Nainital	
9. Oriental Bank of Commerce	Khatima	Nainital	
10. Oriental Bank of Commerce	Kashipur	Nainital	
11. Oriental Bank of Commerce	Sitarganj	Nainital	
12. Oriental Bank of Commerce	Pilibhit	Philibhit	
13. Oriental Bank of Commerce	Baharich	Baharich	
14. Oriental Bank of Commerce	Muzaffarnagar	Muzaffarnagar	
15. Oriental Bank of Commerce	Saharanpur	Saharanpur	
16. Oriental Bank of Commerce	Dehradun	Dehradun	
17. Oriental Bank of Commerce	Modi Nagar	Ghaziabad	
18. Oriental Bank of Commerce	Chikamberpur	Ghaziabad	
19. State Bank of India	Mehmodabad	Sitapur	
20. Bank of India	Aishbang	Lucknow	
21. Bank of India	Kaushalpuri	Kanpur	
22. Bank of India	Chausa	Ghaziabad	
	Raghnathpura		
23. Bareilly Corp. Bank	Rajendra Nagar	Bareilly	
24. Bank of India	Agra	Agra	
25. Indian overseas Bank	Gomtinagar	Lucknow	
26. Karnataka Bank Ltd.	Kanpur	Kanpur	
27. Allahabad Bank	Varanasi	Varanasi	
28. Canara Bank	Rudrapur	Nainital	
29. Canara Bank	Rishikesh	Dehradun	
30. Canara Bank	Burra	Kanpur	
31. Vijaya Bank	Varanasi	Varanasi	
32. Bank of Punjab Ltd.	Meerut	Meerut	
33. Bank of Punjab Ltd.	Noida	Ghaziabad	
34. Punjab National Bank	RIS Depot	Saharanpur	
35. Union Bank of India	Lucknow	Lucknow	
36. Bareilly Corp. Bank	Chandpur	Bijnore	
37. Bareilly Corp. Bank	Dhanpur	Bijnore	
38. Punjab National Bank	Roorkee	Hardwar	
39. Punjab National Bank	Yamuna Nagar	Dehradun	
40. Punjab National Bank	Gandhi Colony	Muzaffarnagar	
41. Dena Bank	Saharanpur	Saharanpur	
42. Union Bank of India	Kanpur	Kanpur	
43. Union Bank of India	Dehradun	Dehradun	
44. Union Bank of India	Clarks Avadh	Lucknow	
45. Union Bank of India	Dayalbagh	Agra	
46. Union Bank of India	Azamgarh	Azamgarh	
47. Union Bank of India	Daliganj	Lucknow	
48. Union Bank of India	Allahabad	Allahabad	
49. Union Bank of India	General Ganj	Kanpur	
50. Union Bank of India	Ghazipur	Ghazipur	
51. Union Bank of India	Agra Main	Agra	

1	2	3	4
52. Union Bank of India	Bareilly Main	Bareilly	
53. UTI Bank Ltd.	Lucknow	Lucknow	
54. Jammu & Kashmir Bank Ltd.	Bhadohi	Varanasi	
55. Indian overseas Bank	Majhola	Moradabad	
56. Canara Bank	Rudrapur	Nainital	
57. Canara Bank	Vrindavan	Mathura	
58. Canara Bank	Agra College	Agra	
59. Canara Bank	Noida	Ghaziabad	
60. State Bank of Patiala	Muzaffarnagar		
61. Oriental Bank of Commerce	Bareilly	Bareilly	
62. Oriental Bank of Commerce	Noida	Ghaziabad	
63. Oriental Bank of Commerce	Subhashnagar	Dehradun	

### MODVAT Credit

1988. SHRI AMAR PAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Government/Central Board of Excise and Customs propose to introduce a negative list of those goods in respect of which MODVAT credit will be made available;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). The Government does not propose to introduce a negative list of the inputs for the purpose of admissibility of MODVAT. However, in the Budget of 1996-97 presented in the House on the 22nd of July, 1996 specific headings and sub-headings of the capital goods on which the credit will be admissible have been provided. The proposed amendment will result in considerable reduction of disputes.

### Income Tax Dues

1989. SHRI N.S.V. CHITTHAN : Will the Minister of FINANCE be pleased to state :

(a) the total income-tax dues outstanding from assesses and the number of such defaulters as on date. State-wise;

(b) the annual target for collection of direct taxes; and

(c) the steps taken to recover the tax dues from these defaulters?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a). State-wise information regarding outstanding demand is not available. However, the total outstanding demand of

Corporation Tax and Income-tax was Rs. 28987.14 crores at the end of financial year 1995-96. State-wise details of income-tax dues and the number of cases, where the outstanding demand exceeds Rs. 1 crore as on 31.12.1995, which are available, are given below:

Sl. No.	Name of the State	Total No. of cases as on 31.12.95	Outstanding demand
			(Rs. in crores)
1.	West Bengal	143	869.59
2.	Maharashtra	493	13527.51
3.	Delhi	167	1024.05
4.	Punjab	14	57.57
5.	Haryana	6	19.10
6.	Jammu & Kashmir	3	15.60
7.	Madhya Pradesh	14	48.38
8.	Gujarat	73	224.98
9.	Rajasthan	15	68.70
10.	Kerala	4	6.84
11.	Andhra Pradesh	22	59.92
12.	Bihar	11	73.73
13.	Orissa	8	30.47
14.	N.E.R.	11	24.75
15.	Karnataka	43	227.51
16.	Tamilnadu	72	246.53
17.	Uttar Pradesh	40	180.37

(b). The Budget estimates for 1996-97 are given below:

	(Rs. in crores)
Corporation Tax	19600
Income Tax	17843
Interest Tax	1250
Expenditure Tax	190
Wealth Tax	110
Gift Tax	10

(c). Various actions prescribed under the Income-tax Act, e.g. attachment of movable and immovable properties of defaulters, prosecution, imposition of penalties, detention in prison, appointment of receiver for management of defaulter's properties are taken for recovery of the outstanding demand. Besides, various steps are taken to effect recovery of demand including grant of instalments and where issues are locked up in appeal, appellate authorities are requested to dispose of the appeals expeditiously.

In the cases of arrears of tax due from Notified persons involved in securities scam, as per provisions of the Special Court Act all properties, both movable

and immovable, belonging to the Notified person stand attached simultaneously with the issue of the Notification. Therefore, in respect of all demands that have since fallen into arrear, in the department has filed applications with the Special Court for issue of directions to the Custodian to release funds against the tax dues.

#### Bank Loan to Farmers

1990. SHRI KASHIRAM RANA : Will the Minister of FINANCE be pleased to state :

(a) the amount of loan provided to the farmers by the public sector banks, during each of the last three years and in the current year till date, State-wise;

(b) the number of farmers benefited therefrom, State-wise; and

(c) the status of the recovery of the said loans during the aforesaid period, bank-wise?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The outstanding loans for agriculture by public sector banks during the last three years as reported by Reserve Bank of India (RBI) is given below:

Year ended	No. of Accounts	Balance Outstanding
	(in lakhs)	(Rs. Crore)
March, 1992	209.59	18311.35
March, 1993	210.94	19934.69
March, 1994	203.51	20930.19

State-wise figures for the above period are given in Statement I, II and III.

(c). The bank-wise position of recovery of the direct agricultural advances by public sector banks for the last three years is indicated in Statement-IV.

[English]

#### STATEMENT-I

Statewise position of the loans outstanding to Agriculture of public sector banks during the year ended March 1992

Name of State/ Union Territory	Accounts	Bal. Outstanding
1	2	3
Haryana	457.56	72267.92
Himachal Pradesh	113.77	8548.58
Jammu & Kashmir	47.90	2762.10
Punjab	673.19	128015.51

1	2	3
Rajasthan	706.90	86410.28
Chandigarh	3.77	16938.89
N.C.T. of Delhi	16.83	11748.40
Assam	241.51	13782.89
Manipur	6.92	583.06
Meghalaya	21.06	1066.68
Nagaland	21.44	2253.78
Tripura	58.16	2046.65
Arunachal Pradesh	5.50	440.25
Mizoram	1.89	233.36
Sikkim	12.83	321.28
Bihar	1438.55	86106.96
Orissa	881.31	39185.74
West Bengal	1169.94	62278.02
Andaman & Nicobar	4.54	282.74
Madhya Pradesh	1102.57	129877.18
Uttar Pradesh	2425.12	209485.90
Gujarat	924.94	98904.64
Maharashtra	1588.71	183329.92
Daman and Diu	1.18	76.02
Goa	29.81	3457.76
Dadra & Nagar Haveli	1.56	74.63
Andhra Pradesh	2877.71	227444.33
Karnataka	1768.76	151985.76
Kerala	1211.95	69214.81
Tamil Nadu	3084.12	218887.40
Pondichery	48.23	3058.53
Lakshadweep	0.64	35.55
All India	20958.85	1831135.52

**STATEMENT-II**

*Statewise position of the loans outstanding to Agriculture of public sector banks during the year ended March 1993*

Name of State/ Union Territory (in thousands)	Accounts	Bal. Outstanding (In lakhs)
1	2	3
Haryana	445.89	79852.29
Himachal Pradesh	111.47	8998.17
Jammu & Kashmir	44.11	3199.64
Punjab	665.58	136245.93

1	2	3
Rajasthan	718.08	96685.62
Chandigarh	3.38	17378.79
N.C.T. of Delhi	15.49	10849.29
Assam	215.06	15207.84
Manipur	11.03	920.43
Meghalaya	25.21	1242.21
Nagaland	23.49	2668.97
Tripura	64.84	2664.87
Arunachal Pradesh	9.08	563.08
Mizoram	3.80	283.78
Sikkim	12.13	446.40
Bihar	1483.37	95537.04
Orissa	906.98	43159.12
West Bengal	1143.31	68792.25
Andaman & Nicobar	4.51	286.53
Madhya Pradesh	1113.90	141830.47
Uttar Pradesh	2371.30	227398.50
Gujarat	929.72	107752.27
Maharashtra	1628.25	196030.31
Daman and Diu	0.90	90.62
Goa	26.76	3640.82
Dadra & Nagar Haveli	1.45	70.50
Andhra Pradesh	3072.72	249366.62
Karnataka	1701.46	163594.24
Kerala	1139.15	71684.87
Tamil Nadu	3152.00	243540.32
Pondichery	48.39	3459.27
Lakshadweep	0.59	28.00
All India	21093.95	1993469.06

**STATEMENT-III**

*Statewise position of the loans outstanding to Agriculture of public sector banks during the year ended March 1994*

Name of State/ Union Territory	Accounts (in '000)	Bal. Outstanding (Rs. in lakhs)
1	2	3
Haryana	410.40	84253.41
Himachal Pradesh	101.99	9476.96
Jammu & Kashmir	41.29	3374.68
Punjab	643.75	142910.49
Rajasthan	705.37	102650.03

1	2	3
Chandigarh	3.23	15194.90
N.C.T. of Delhi	12.40	13454.21
Assam	212.57	16988.16
Manipur	12.50	1345.86
Meghalaya	25.13	1298.23
Nagaland	24.08	2965.01
Tripura	67.82	3169.73
Arunachal Pradesh	10.88	668.50
Mizoram	4.54	316.20
Sikkim	12.52	534.12
Bihar	1472.45	97414.56
Orissa	898.97	46383.09
West Bengal	1085.43	78920.71
Andaman & Nicobar	4.40	228.04
Madhya Pradesh	1104.35	142349.24
Uttar Pradesh	2346.73	232638.46
Gujarat	889.18	115543.75
Maharashtra	1518.07	208142.41
Daman and Diu	0.73	87.26
Goa	21.15	3654.25
Dadra & Nagar Haveli	1.39	100.78
Andhra Pradesh	2708.78	257030.75
Karnataka	1640.26	171651.30
Kerala	1186.01	74922.21
Tamil Nadu	3135.33	261886.30
Pondichery	49.09	3434.66
Lakshadweep	0.56	30.43
All India	20351.33	2093018.69

#### STATEMENT - IV

*The position of recovery of the direct agriculture advances by the public sector banks for the last three years i.e. ended June 1993, 1994 and 1995*

Name of the bank	Percentage of recovery to demand		
	1993	1994	1995
1. State Bank of India	53.90	56.10	58.47
2. State Bank of Bikaner and Jaipur	35.40	42.97	48.76
3. State Bank of Hyderabad	63.95	60.13	52.69
4. State Bank of Indore	36.70	43.33	46.71
5. State Bank of Mysore	43.80	51.26	52.39
6. State Bank of Patiala	80.30	82.85	85.72
7. State Bank of Saurashtra	51.44	50.70	59.19
8. State bank of Travancore	57.30	64.32	65.15
9. Allahabad Bank	54.70	59.01	54.39
10. Andhra Bank	59.70	65.15	68.68

1	2	3	4	5
11.	Bank of Baroda	59.38	61.73	64.32
12.	Bank of India	47.50	49.90	51.60
13.	Bank of Maharashtra	42.00	49.35	51.31
14.	Canara Bank	65.20	68.48	71.89
15.	Central Bank of India	41.70	40.00	42.34
16.	Corporation Bank	42.10	48.79	42.71
17.	Dena Bank	44.10	44.19	50.14
18.	Indian Bank	66.80	62.13	65.00
19.	Indian Overseas Bank	57.00	74.52	75.00
20.	Oriental Bank of Commerce	66.00	73.12	74.72
21.	Punjab National Bank	60.00	60.00	64.00
22.	Punjab & Sind Bank	41.00	49.50	53.00
23.	Syndicate Bank	41.10	38.34	43.22
24.	Union Bank of India	59.22	63.29	68.16
25.	United Bank of India	31.30	34.68	38.41
26.	UCO Bank	39.80	36.92	34.72
27.	Vijaya Bank	34.99	47.62	62.72

\*The data for the year ended June 1995 is provisional

[English]

#### NIFT Branch in Kerala

1991. SHRI RAMESH CHENNITHALA : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government have taken any decision on setting up a branch of the National Institute of Fashion Technology in Kerala;

(b) if so, the proposed participation of the State Government of Kerala in the setting up of this Institute; and

(c) when and where is the Institute likely to be set up in Kerala?

THE MINISTER OF TEXTILES (SHRI R.L.JALAPPA) : (a) There is no proposal under consideration to set up any more new branches of the National Institute of Fashion Technology, including in Kerala.

(b) and (c) Do not arise.

#### Lapsed Policies

1992. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether a large number of policies have lapsed due to non-payment of premium by the policy holders of LIC;

(b) if so, the details thereof upto 1995;

(c) whether the premia of lapsed policies is forfeited by the LIC and is treated as profit; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b) The Life Insurance Corporation (LIC) of India have informed that the number of policies lapsed during 1994-95 out of the new policies issued in 1992-93, 1993-94 & 1994-95 is as follows:

Year of New Business	No. of policies issued	No. of policies lapsed during 1994-95
1992-93	99.57.848	9.80.579
1993-94	1.07.25.633	22.38.085
1994-95	1.08.74.682	1.20.451

(c) and (d). LIC have informed that on account of overhead expenses incurred by them on items like stationery, printing, commission etc., a policy does not acquire paid up value if it lapses within three years of its issue. The premium amounts accruing to the Corporation on account of the lapsed policies is credited to the "Life Fund". LIC does not operate on the principle of profit or loss. Actuarial valuation of the "Life Fund" is carried out annually, and 95% of the actuarial surplus is distributed among the policyholders themselves in the form of Bonus etc. and the remaining 5% is paid to the Central Government, being the owner of LIC.

### Trade Relation with US

1993. SHRIMATI VASUNDHARA RAJE : Will the Minister of COMMERCE be pleased to state :

(a) the areas in which Indo-US trade has been established;

(b) whether the Government propose to further expand trade relations with United States; and

(c) if so, the steps taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The major exports of India to the USA include Gem & Jewellery, Textiles, Engineering Products, Coir, Jute & Handicrafts, Chemicals & Allied Products, Leather Products, and Cashew, etc. India's imports from the USA include Engineering Goods, Chemicals and Allied Products, Minerals & Ores, Fertilizers and Electronic Goods, etc.

(b) and (c). In order to further expand trade relations with United States, there has been increased bilateral

interactions both by the Government and the private sectors of the two countries. These include the visit by the Indian Prime Minister to USA in May, 1994; US Commerce Secretary's visit to India in January, 1995; Indian Commerce Minister's visit to USA in June, 1995; the meetings of the Indo-US Joint Business Council in October, 1994 in Washington and in December 1995 in New Delhi. In January 1995, the Indo-US Commercial Alliance was launched which provides a framework for increased interaction between the private enterprises in both the countries for expanding trade & commercial ties. The Board meetings have been held on 19th June, 1995 at Santa Clara in USA and on 12th March, 1996 at New Delhi. The Government also encourages Chambers of Commerce, Export Promotion Councils, Commodity Boards & the exporters to mount trade delegations, organise buyer-seller meets, participate in trade fairs in India & abroad etc.

### Houses for Officials of G.I.C.

1994. DR. RAMESH CHAND TOMAR : Will the Minister of FINANCE be pleased to state

(a) whether the General Insurance Corporation for its four subsidiary companies have purchased houses for their officials in the National Capital Region;

(f) if so, the details thereof, company-wise;

(c) whether a large number of houses are lying vacant at Sahibabad and Noida which are owned by New India Assurance Company Ltd.; and

(d) if so, the details thereof and the reasons for not allotting those houses to the eligible officials of the company?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The subsidiaries of the General Insurance Corporation of India (GIC) purchase houses/flats from time to time for meeting the accommodation requirements of their employees. The requisits information in respect of the National Capital Region, as furnished by the GIC, is enclosed as statement

(c) and (d). It has been reported that out of 39 flats owned by New India Assurance Company Limited (NIAC) only six flats are lying vacant, five at Sahibabad and one at Noida. These flats could not be allotted to the employees on account of allegations of prejudice and favouritism on the part of the committee appointed by the NIAC for this purpose.

The NIAC has appointed a new committee to review the allotment procedure and suggest revised allotments. The committee is expected to submit its report shortly based on which allotments will be made.

## STATEMENT

*Details of Houses Purchased by the Subsidiaries of the GIC in the National Capital Region*

National	No. of Flats	New India	No. of Flats	Oriental	No. of Flats	United India	No. of Flats
Pal Mohan Apt. Delhi	8	Sahibabad	23	Jor Bagh	2	Asiad Village	2
Sahibabad	10	Noida	8	Green Park	2	Noida	12
Noida	5	Kausambi	3	Greater Kailash	12	Greater Kailash	3
Ghaziabad Delhi							
Asiad Village	1	Sagar Apts.	2	Janak Puri	12		
		C-94, Greater Kailash-I	3	Lawrence Road	20		
				Noida	20		
				Asiad Village	2		

## Setting up of Tribunals

1995. SHRI RAM SAGAR : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether any matter is pending before the Constitutional Bench of the Supreme Court regarding setting up of Tribunals;

(b) if so, the details thereof and the present status thereof; and

(c) the steps taken to expedite the matter?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c) The Hon'ble Member has not identified the Tribunal he has in view. However, Civil Appeal No. 169/94 Union of India vs. Shakinala Hari Nath & Others - is pending before a Seven Judge Bench of the Hon'ble Supreme Court against the order of the Andhra Pradesh High Court in Writ Petition No 518 of 1993 and connected cases. The matter is listed at Sl. No. 9 at page 642 of Terminal List No. 1 of 1996 of the Hon'ble Supreme Court. It is likely to come up for hearing in the near future.

## Closure of P.S.Es

1996. DR. Y.S. RAJASEKHARA REDDY : Will the Minister of INDUSTRY be pleased to state:

(a) the number of Public Sector Enterprises (PSEs) operating in the country and the total investment made in them;

(b) whether the Government propose to close some of PSEs; and

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

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) As on 31.3.1995, there were 241 Central Public Sector Enterprises in operation having an investment of Rs. 170602 crores.

(b) and (c). Sick PSEs are referred to BIFR for suitable decision.

## Garment Export Quota Policy

1997. SHRI SURESH KALMADI : Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have appointed a task force for reviewing the current garment and textiles export quota policy and to suggest changes for a new policy;

(b) if so, the terms of reference of the task force; and

(c) the time by which it is likely to submit its report?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) Yes, Sir.

(b) The terms of reference of the task force are as under

(i) To make an evaluation of the working of the Export Entitlement Distribution Policies for the past few years and the current year as well, in respect of Fabrics, Made-ups, Yarns, Garments and Knitwear.

(ii) To make recommendations to the Government for making changes, if felt necessary, in the current Garment and Knitwear Policy and for the formulation of the new long term Fabric, Made-ups and yarn Policy beginning 1-1-1997.

(c) The task force is likely to submit its report by 31st July, 1996.

### Textile Export

1998. SHRI SANAT KUMAR MANDAL : Will the Minister of TEXTILES be pleased to state:

(a) whether European countries have imposed ban on import of textiles in which azo dyes have been used; and

(b) if so, the steps taken by the Government to tackle with this problem and the problems related to the textile import quota under multifibre arrangement?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) and (b). The German Government has enacted a legislation banning the use of certain azo dyes and chemicals in textile products put up for sale in Germany.

In the context of German Government's legislation, the Government of India has initiated steps to review the related dyes and to identify alternate permissible dyes so as to maintain the tempo of exports. Besides, the Government have been taking a number of steps to promote production of eco-friendly textiles, such as, providing assistance for setting up eco-testing facilities at major production centres, dissemination of information regarding ecologically safe dyes and chemicals through seminars/workshops and distribution of publicity materials.

The German ban on azo dyes is not linked with the textile import quota regime stipulated under the Indo-EC textile agreement.

### Appointment of Notaries

1999. SHRI SOUMYA RANJAN : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Union Government have fixed any minimum qualifications for appointment of Notaries in the country;

(b) if so, the details thereof; and

(c) the number of Notaries appointed by the Government so far in the country, State-wise?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) and (b). The qualifications for being appointed to the office of Notary are specified in the Notaries Act, 1952 and the rules made thereunder.

(c) As on 1.1.96, the Central Government have appointed 574 Notaries for the whole country and the State-wise break-up of Notaries is as follows :

S.No.	Name of State/UT	No. of Notaries
1	2	3
1.	Andhra Pradesh	08
2.	Bihar	05
3.	Gujarat	27
4.	Haryana	55
5.	Karnataka	42

1	2	3
6.	Kerala	02
7.	Maharashtra	64
8.	Madhya Pradesh	04
9.	Orissa	02
10.	Punjab	57
11.	Rajasthan	71
12.	Tamil Nadu	11
13.	Tripura	01
14.	Uttar Pradesh	58
15.	West Bengal	64
16.	Delhi	69
17.	Chandigarh	01
18.	Entitled to practice in whole of India	33
Total		574

### Subsidy on Agricultural Exports by APEDA

2000. SHRI P.R. DASMUNSI : Will the Minister of COMMERCE be pleased to state:

(a) the amount of subsidies or export support given to agricultural exporters by the Agricultural and Processed Food Products Export Development Authority (APEDA) during each of the last three years;

(b) the details of the areas where subsidies were given;

(c) whether any case of misuse of subsidies has come to the notice of APEDA during the above period;

(d) if so, the details thereof; and

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

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b). The Agricultural and Processed Food Products Export Development Authority (APEDA), a Commodity Board under the Ministry of Commerce is extending financial assistance at the prescribed scale to the exporters of those products which are included in the Schedule to the Agricultural and Processed Food Products Export Development Authority Act, 1985, in the following areas:

(i) For development of infrastructural facilities such as:

(a) Purchase of specialised transport units;

(b) Establishment of pre-cooling facilities;

(c) Setting up of mechanised post harvest handling facilities and sheds for grading, sorting, quality control and packaging;

(ii) Development of overseas markets through brand promotion, publicity and participation in International Trade Fairs abroad;



- (iii) Conduct of feasibility studies with respect to products, infrastructure requirements;
- (iv) Upgradation of technical skills of supervisory, technical and managerial personnel of growers and manufacturers - exporters through training in India.
- (v) Research and development to be conducted by the research institutions as a part of the export enhancement efforts;
- (vi) Air Freight subsidy for exports by air of certain horticultural, floricultural and selected vegetables to specified destinations.

The amount of financial assistance provided by APEDA during the years 1993-94, 1994-95 and 1995-96 is as follows:-

	<i>Rs. in Lakhs</i>
1993-94	511.65
1994-95	615.14
1995-96	675.00

(c) No, Sir.

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

#### Anti-Defection Law

2001 SHRI ATAL BIHARI VAJPAYEE Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government propose to reformulate the anti-defection law.

(b) if so, the details thereof, and

(c) the time by which it is likely to be reformulated?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c). The question as to whether an appellate authority should be provided to hear appeals from the decisions of Presiding Officers is proposed to be discussed by the Government with leaders of various political parties and in case a consensus emerges for making amendments in the Tenth Schedule of the Constitution, Government would consider bringing forward a bill for the purpose.

#### Smuggling of Gold

2002. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the smuggling of gold is still going on in the country in spite of the introduction of the liberalised gold policy;

(b) if so, the steps taken by the Government to check it; and

(c) the gold seized during each of the last three years?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) Based on statistics of contraband gold seized and intelligence reports pertaining to smuggling of gold there appears to be a decline in smuggling of gold. However, smuggling of gold is still being noticed and a definite trend regarding quantum of smuggling cannot be stated with certainty due to clandestine nature of smuggling activities.

(b) Measures taken to prevent smuggling of gold into the country include liberalized import of gold since 1992 under passenger baggage scheme to make large quantities of legally imported gold available for consumption in India, high alert maintained by anti smuggling agencies to detect and prevent smuggling of gold into the country by surveillance over sensitive areas, targeting of intelligence and use of sophisticated equipments like metal detectors, colour baggage X-ray machines etc. in ports and airports.

(c) The value of gold seized during the last three years is as follows:

Year	Gold Seized (Rs. in lakhs)
1993-94	5502
1994-95	5543
1995-96	5087

[Translation]

#### Trade Agreement with Nepal

2003. DR. LAXMINARAYAN PANDEY Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to increase the Indo-Nepal trade ties;

(b) if so, the details of areas selected for this purpose;

(c) whether the Government have signed any new trade agreement with Nepal recently; and

(d) if so, the details thereof and the time by which the said agreement is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b). India and Nepal are both committed to increasing their bilateral trade within the framework of the Indo-Nepal Trade Treaty of 1991. Various aspects bilateral

trade are reviewed from time to time by the Inter Governmental Committee on Trade headed by the two Commerce Secretaries. In this connection, the question of providing greater access into the Indian market for goods manufactured in Nepal has been under discussion.

(c) No new trade agreement has been signed with Nepal recently.

(d) Does not arise.

[English]

### **Tax Evasion**

2004. SHRI MANGAL RAM PREMI : Will the Minister of FINANCE be pleased to state :

(a) the number of cases in which the evasion of income tax, central excise and customs have come to light in the last three years, State-wise and Union Territory-wise;

(b) whether any enquiry has been conducted by the Government in this regard; and

(c) if so, the outcome thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Data in this regard are not maintained State/Union Territory-wise.

(b) and (c). Enquiries/investigations are conducted whenever any specific information of tax evasion is received.

[Translation]

### **Plan to Increase Exports**

2005. SHRI PRABHU DAYAL KATHERIA :  
SHRI PANKAJ CHOWDHARY :

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to chalk-out any target based programme to increase exports;

(b) if so, the details thereof; and

(c) the time by which a final decision is likely to be taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Export performance is dependent on a number of factors including the demand for the products, the economic conditions in the countries importing such products,

competition from other countries exporting such products, export promotion efforts, etc. However, based on the past performance, the Commerce Ministry is projecting to sustain a 20% export growth in dollar terms for the Year 1996-97.

Export promotion is a continuous activity and steps are taken from time to time to boost exports in consultation with trade and industry and export promotional organisations. Measures taken to step up exports include holding of trade fairs and exhibitions, simplification of import and export-policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation and efforts to actively involve the State Governments in export promotion.

[English]

### **Increase in Capacity of Ports in Orissa**

2006. SHRI SARAT PATTANAYAK : Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation of India Ltd. has signed any agreement with the Government of Orissa to increase handling capacity of ports in Orissa; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). MMTC Limited has signed an MOU with the Government of Orissa on 15th February, 1996 for commissioning a detailed feasibility study for integrated development of Gopalpur Port from fair weather to all weather deep water direct berthing port.

[Translation]

### **Import of Textiles**

2008. SHRI DEVI BUX SINGH :  
SHRI RADHA MOHAN SINGH :

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to import textiles;

(b) if so, the details thereof;

(c) the quantum of textiles imported during the year 1995-96; and

(d) the foreign exchange spent thereon?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b) Government do not propose to import textiles.

(c) and (d). The foreign exchange equivalent of Rs.3258.48 crores (approximately) were spent on the import of textiles during 1995-96.

[English]

### Voluntary Retirement scheme for textile workers

2009. SHRI MOHAN RAWALE :  
SHRI RAM NAIK :

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government of Maharashtra has submitted a proposal to the Union Government for reimbursement under the National Renewal Fund Scheme, of amount of voluntary retirement scheme approved by the State Government of Maharashtra for workers/staff in the mills run by Maharashtra State Textiles Corporation and the Textile Corporation of Marathwada Ltd.,

(b) if so, the details thereof; and

(c) the reaction of Government thereto?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (c). The Government of Maharashtra has requested for assistance of Rs.74.83 crores from the National Renewal Fund for payment of gratuity and compensation under the Voluntary Retirement Scheme to the staff of the Maharashtra State Textile Corporation Ltd. and the Textile Corporation of Marathwada Ltd.. However, assistance from the National Renewal Fund has been provided for implementation of Voluntary Retirement Scheme in Central Public Sector Undertakings only.

[Translation]

### Concession to Foreign Manufacturers

2010. SHRI SATYA DEO SINGH :  
KUMARI UMA BHARATI :  
SHRI VIJAY GOEL :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have given considerable concessions to the foreign manufacturers due to economic reforms.

(b) if so the details thereof.

(c) whether the Government propose to extend these concessions also to the domestic manufacturers; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). The tax policy does not differentiate between foreign and domestic manufacturers.

### Financial Assistance to Delhi by IDBI

2011. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) the number of applications received by Industrial

Development Bank of India from the entrepreneurs of Delhi for financial assistance during the last three years and as on date:

(b) the number of applications from Delhi and other States accepted during the said period and the number of applications rejected:

(c) the details of the financial assistance provided during this period, unit-wise:

(d) whether the Government are aware about certain irregularities in sanctioning the financial assistance to the entrepreneurs; and

(e) if so, the details thereof and the action taken or proposed to be taken in this regard?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The number of applications received by Industrial Development Bank of India (IDBI) from entrepreneurs of National Capital Territory (NCT) of Delhi under IDBI's direct finance scheme during the last three years and the current year (April 1996 - June 1996) is as under:

YEAR	APPLICATIONS RECEIVED
1993-94	95
1994-95	95
1995-96	46
April 1996- June 1996	4

(b) The number of applications sanctioned and rejected under its direct finance scheme by IDBI during the last three years and the current year (April 1996 - June 1996) is as under:

Year	<u>Applications Sanctioned</u>		<u>Applications Rejected</u>	
	All India	NCT of Delhi	All India	NCT of Delhi
1993-94	1558	82	44	3
1994-95	1794	83	37	3
1995-96	1258	31	35	1
April 1996- June 1996	112	2	3	NIL

(c) The details of assistance sanctioned by IDBI to entrepreneurs in NCT of Delhi under direct finance schemes during the above period are as under:

(Rs. Crore)

Year	Amount Sanctioned
1993-94	414.3
1994-95	649.6
1995-96	1212.9
April 1996 - June 1996	9.5

However, in accordance with the practices and usages customary amongst banks and in conformity with provisions of statutes governing public sector banks and financial institutions as also the provisions of Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, the unit-wise details cannot be divulged.

(d) No, Sir. IDBI has reported that there have been no irregularities in the sanction of financial assistance by IDBI to the entrepreneurs in NCT of Delhi.

(e) Does not arise.

[English]

#### Vacant Posts in B.I.F.R.

2012. SHRI KRISHAN LAL SHARMA : Will the Minister of FINANCE be pleased to state :

(a) whether two top posts of Chairman and Secretary are presently lying vacant in Board for Industrial and Financial Reconstruction (B.I.F.R.);

(b) if so, the date since when these are vacant together with the reasons therefor; and

(c) the time by which these posts are likely to be filled up?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). The post of Chairman, Board for Industrial and Financial Reconstruction (BIFR) fell vacant on 6th May, 1996 on retirement (on attaining the age of superannuation) of Shri R.R. Gupta, the then Chairman, BIFR.

In terms of the provisions of Section 6(5) of the Sick Industrial Companies (Special Provisions) Act, 1985, Government have authorised Shri M.M.S. Srivastava, Member, BIFR to act as Chairman, BIFR with effect from 11th June, 1996 and upto appointment of a regular Chairman. The post of Secretary, BIFR is vacant since 12th September, 1995. The competent authority has approved appointment of an officer to this post but he is yet to assume charge.

#### World Bank Loan Cooperative Sector

2013. SHRI RAMASHRAYA PRASAD SINGH :  
SHRIMATI SHEELA GAUTAM :  
SHRI RAMESHWAR PATIDAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank is financing the cooperative sector in the country;

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

(c) the amount released for the purpose during the last three years?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) :

(a) No Sir. There is no ongoing project in Cooperative Sector with World Bank assistance.

(b) Does not arise.

(c) The World Bank aided National Dairy-II Project, with a total assistance of US \$ 360.0 million closed on 31.12.95. It was a central sector project, designed to support the Operation Flood-III programme of NDDB, with the objective of strengthening milk cooperatives in the country at state, district and village levels. The amount utilised for this purpose in 1993-94, 1994-95 and 1995-96 are US \$ 51.7 million, 37.3 million and 0.622 million respectively.

#### National Renewal Fund

2014. SHRI SANAT MEHTA :  
SHRI VISHVESHWAR BHAGAT :

Will the Minister of INDUSTRY be pleased to state:

(a) the amount allocated to National Renewal Fund since its formation;

(b) the areas in which this allocation was spent during the last three years, undertaking-wise;

(c) whether a scheme was recommended by committee of NAF and same was not approved by the Union Government; and

(d) if so, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The National Renewal Fund was set up in February, 1992. During the years 1992-93 to 1995-96, a sum of Rs.1769.66 crores has been transferred to the National Renewal Fund.

(b) The assistance from the National Renewal Fund has been provided for implementation of Voluntary Retirement Scheme in Central Public Sector Undertakings, including investment in central public enterprises of Ministry of Textiles and for implementation of the scheme of counselling, retraining and redeployment of rationalised workers. Undertaking-wise details of expenditure, as available upto the year 1994-95 are given in the attached statement.

(c) and (d). The National Renewal Fund is administered by an Empowered Authority, headed by Secretary (Industrial Development). The NRF Scheme regarding counselling, retraining and redeployment of rationalised workers has been approved by the

Government. The proposals regarding workers compensation payments in cases of State PSUs etc. and area regeneration scheme would be taken up after operational modalities for assistance from the NRF have been finalised.

### STATEMENT

*Details of expenditure met from the National Renewal Fund.*

(Rs. in Crores)

Name of Ministries/Departments and Public Sector Undertakings	1992-93	1993-94	1994-95
1	2	3	4
<b>A. VOLUNTARY RETIREMENT SCHEME</b>			
<b>Department of Chemicals &amp; Petro-chemicals</b>			
1. Smith Stainstreet Pharmeaceuticals Ltd.	1.40	2.00	0.50
2. Bengal Chemicals and Pharmceuticals Ltd.	2.00	2.00	2.50
3. Bengal Immunity Ltd.	1.00	2.00	1.00
4. Indian Drugs and Pharmaceuticals Ltd.	15.60	34.00	21.00
5. Hindustan Insecticides Ltd.	1.60	1.20	0.50
<b>Department of Fertilizers</b>			
1. Hindustan Fertilizers Corporation Ltd.	22.00	-	2.20
2. Fertilizer Corporation of India Ltd.	25.00	-	-
3. Pyrites, Phosphates & Chemicals Ltd.	0.50	0.50	0.80
4. Projects and Development India Ltd.	15.00	-	-
<b>Department of Tourism</b>			
1. Indian Tourism Development Corporation	-	8.64	-
<b>Ministry of Civil Supplies, Consumer Affairs and Public Distribution</b>			
1. Hindustan Vegetable Oils Corpn. Ltd.	-	7.00	-
<b>Ministry of Defence (Non-Plan)</b>			
1. Bharat Earth Movers Ltd.	-	10.00	7.90
2. Viguan Industires Ltd. (subsidiary of BEML)	-	-	0.15
3. Mazagon Docks Ltd.	-	-	9.45
<b>Ministry of Food Processing Industries</b>			
1. Modern Food Industries Ltd.	0.34	2.00	-
<b>Department of Heavy Industry</b>			
1. Bharat Bhari Udyog Nigam Ltd.	9.10	24.80	9.19
2. Bharat Ophthalmic Glass Ltd.	0.50	0.61	0.43
3. Bharat Yantra Nigam Ltd.	20.00	11.84	7.00
4. Cycle Corporation of India Ltd.	5.00	3.74	-
5. Engineering Project India Ltd.	2.50	-	1.00
6. Heavy Engineering Corporation Ltd.	41.00	33.97	10.41
7. Hindustan Machine Tools Ltd.	7.15	30.00	27.89
8. Instrumentation Ltd., Kota	3.00	5.50	5.30
9. Mining and Allied Machinery Corpn. Ltd.	17.12	24.44	2.26
10. National Bicycle Corpn. India Ltd.	0.50	0.50	-
11. National Instrumentation Ltd.	1.50	1.75	-
12. Rehabilitation Industries Corpn. Ltd.	6.10	4.80	3.30
13. Scooters India Ltd.	2.40	13.20	-

1	2	3	4	5
14. Bharat Leather Corpn. Ltd.	0.50	0.34	0.14	
15. Tannery and Footwear Corpn. of India Ltd.	1.65	2.00	-	
16. Tyre Corpn. of India Ltd.	4.00	6.50	4.50	
17. Hindustan Photo Films Ltd.	-	4.25	5.00	
18. Hindustan Paper Corpn. of India Ltd.	3.85	2.00	3.00	
19. Nepa Mills Ltd.	2.00	2.00	2.00	
20. Cement Corporation of India Ltd.	-	2.50	-	
21. National Industrial Development Corpn.	0.50	-	-	
22. Hindustan Salt Ltd.	-	0.50	0.50	
23. Andrew Yule and Company Ltd.	-	3.85	3.30	
<b>Ministry of Mines</b>				
1. Bharat Gold Mines Ltd.	-	16.28	6.50	
2. Hindustan Copper Ltd.	-	48.20	-	
3. Mineral Exploration Corpn. Ltd.	-	7.00	4.00	
4. Bharat Aluminium Company Ltd.	-	1.00	2.50	
5. Hindustan Zinc Ltd.	-	10.00	22.00	
<b>Ministry of Steel</b>				
1. Hindustan Steel Works Construction Ltd.	10.80	30.00	20.00	
2. Bharat Refractories Ltd.	1.00	2.00	1.52	
3. Bird Group of Companies	8.00	2.00	5.50	
4. SAIL (for IISCO)	-	-	10.00	
<b>Ministry of Surface Transport</b>				
1. Delhi Transport Corporation	30.00	30.00	10.00	
2. Central Inland Water Transport Corpn.	8.00	3.00	5.00	
3. Hindustan Shipyard Ltd.	10.00	3.20	-	
4. Hooghly Dock & Port Engineers Ltd.	4.66		2.00	
5. Indian Road Construction Company Ltd.	-		0.07	
<b>Ministry of Textiles</b>				
<i>(including investment in CPSUs in 1992-93 and 1993-94)</i>				
1. National Jute Manufactures Corpn.	2.20	10.00	6.00	
2. British India Corporation	-	0.75	7.00	
3. Jute Corporation of India	0.50	0.20	2.00	
4. National Textile Corporation Ltd.	348.00	90.00	20.00	
5. Elgin Mills	35.25	26.50	5.00	
6. Cawnpore Textile Mills	7.50	2.50	-	
<b>Ministry of Water Resources</b>				
1. National Projects Construction Ltd.	10.00	-	-	
2. Rashtriya Pariyojana Nirman Nigam Ltd.	-	6.00	-	
<b>Department of Atomic Energy</b>				
1. Electronics Corpn. of India Ltd.	-	5.00	5.00	
<b>B. WORKER COUNSELLING AND RETRAINING SCHEME</b>				
<b>Department of Industrial Development</b>				
Department of Small Scale and Agro & Rural Industries	-	0.10	1.00	
	-	0.02	-	

### Sick Industries Registered with BIFR

2015. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state:

(a) whether the largest number of sick industrial companies registered with Board for Industrial and Financial Reconstruction (BIFR) as on May, 1996 relates to Gujarat;

(b) if so, whether the Government have conducted any study to find out the reasons for sickness of industrial units in the State in such a large number;

(c) if so, the outcome thereof; and

(d) the remedial measures taken by the Government in regard thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) The Board for Industrial and Financial Reconstruction (BIFR) has reported that as on 30.6.1996 the largest number of 282 sick industrial companies registered with BIFR was from the State of Maharashtra followed by 211 from Andhra Pradesh, 185 from Uttar Pradesh, 176 from West Bengal and 161 from Gujarat.

(b) and (c). Reserve Bank of India (RBI) had made a review of sick/weak industrial units based on comprehensive half-yearly returns on sick and weak industrial units furnished by scheduled commercial banks as at the end of March 1995. The main reasons for industrial sickness based on a number of factors in respect of 2391 sick/weak non-SSI units in the country as reported by the banks included both internal factors (such as deficiencies in project appraisal, project management and project implementation) and external factors (such as non-availability of raw materials, power shortage, financial bottlenecks, market saturation and product obsolescence). The review has also brought out that the preponderance of industrial sickness in Gujarat and some other States could be attributed to the existence of a large number of textile, engineering, electricals and chemical units in which industrial sickness was predominant.

(d) Detailed guidelines have been issued by the Reserve Bank of India (RBI) regarding formulation and implementation of rehabilitation packages in respect of sick/weak units found potentially viable. Rehabilitation packages, inter alia, provide for funding of existing dues of banks and financial institutions with extended period for repayment (7-10 years) thereof in a phased manner, interest concessions, grant of fresh term loan as also fresh working capital facilities. As regards, non-SSI sick industrial companies, the BIFR, a quasi-judicial body set up under Sick Industrial Companies, (Special Provisions) Act, 1985 takes necessary action for determination of preventive, ameliorative, remedial and other measures for the rehabilitation of sick units and expeditious enforcement of such measures. Where a scheme for rehabilitation of company is sanctioned by

the BIFR, banks/financial institutions provide facilities including reliefs concessions in terms of the sanctioned scheme.

### Pending Cases in Courts

2016. SHRI MRUTYUNJAYA NAYAK :  
SHRI N.S.V. CHITTHAN :  
SHRI K.D. SULTANPURI :  
SHRI SANDIPAN THORAT :

Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of writ petitions, criminal appeals and II appeals/revisions, civil appeals/II appeals/Revisions pending as on June 30, 1996, High Court-wise and Supreme Court-wise;

(b) the number of such writ petitions, appeals/II appeals and Revisions which have become more than 10 years old in each Court and Supreme Court as on June 30, 1996; and

(c) the number of such writ petitions, appeals/II appeals and Revisions which have become more than 15 years old as on June 30, 1996?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c). The information is being collected and will be laid on the Table of the House.

### Tenth Finance Commission

2017. SHRIMATI VASUNDHARA RAJE : Will the Minister of FINANCE be pleased to state :

(a) whether the Tenth Finance Commission has recommended a new formula on passing on the total receipt of the Government of India to the State Government;

(b) If so, the reaction of the Union Government thereto;

(c) whether some State Governments have demanded for the increase in the share of the States; and

(d) if so, the action taken thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). The sharing of tax revenues between Centre and States from 1995-96 to 1999-2000 shall be in accordance with the recommendations of the Tenth Finance Commission (TFC), as approved by the Government of India. The TFC has recommended that 77.5% of net proceeds of Income-tax, 47.5% of net proceeds of Union Excise Duties and 97.797% of Additional Duties of excise be distributed among States besides Rs.380 crores annually as grant in lieu of the Railway Passenger Fares.

The TFC has also recommended an alternative scheme of devolution wherein Central Taxes are to be pooled and a portion of it is to devolve upon States. The alternative scheme of devolution will require consultation with States followed by a Constitutional amendment, if necessary.

(c) and (d). Yes, Sir. The suggestion of the State Governments will be duly considered while taking the decision on the recommendation of the TFC.

#### Foreign Branches of Banks/Financial Institutions

2018. SHRI JAGAT VIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received proposals from Banks/Financial Institutions from abroad to open their branches in India;

(b) if so, the details of such proposals pending with the Government as on date; and

(c) the reaction of the Government on each of the proposals and the terms and conditions agreed upon by the Government and the foreign banks?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). The Reserve Bank of India has intimated that four proposals of foreign banks for opening branches in India have been received. Action has been initiated to consider these proposals by the Inter-Departmental Committee set up for the purpose.

#### Legal System of the country

2019. SHRI SANDIPAN THORAT : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government have formulated any action plan to upgrade the standard of legal education and streamline the recruitment procedure for judges at various level;

(b) if so, the details thereof;

(c) the important recommendations of Law Commission which are under active consideration of the Government; and

(d) the other measure, which are under active consideration of the Government on priority basis to tune up legal system of the country?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (d). Information is being collected and will be laid on the Table of the House.

[Translation]

#### Textile Industry

2020. PROF. PREM SINGH CHANDUMAJRA :  
SHRI NITISH KUMAR :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Government have decided to chalk out development and expansion schemes for each segment of textile industry such as textile mill, powerloom, handloom, separately;

(b) if so, the segment-wise schemes introduced so far; and

(c) the expenditure incurred in 1995-96 in each segment and the details of the plan outlay for each segment in the current year?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (c). The Indian Textile Industry comprises of various segments, namely mill sector, powerloom, handloom, sericulture, handicrafts, etc. Formulation of programmes/schemes by the Government for these segments is a continuous process keeping in mind the broad objectives laid down in the Textile Policy 1985, and the needs of the industry. The details of expenditure (unaudited) under 'Plan' incurred during 1995-96 and their likely allocation for 1996-97 is given in the enclosed statement.

#### STATEMENT

Plan		(Rupees in Crores)	
Sl. No.	Sector	Expenditure During 1995-95 (P)	Likely Allocation for 1996-97
1.	Handloom	85.96	113.50
2.	Powerloom	2.75	3.50
3.	Sericulture	67.79	75.85
4.	Handicrafts	50.72	45.95
5.	Wool	3.50	4.50
6.	Textile Reserach Associations	7.27	4.50
7.	National Institute of Fashions, Technology/ New NIFTs	4.40	4.00
8.	Jute	10.96*	19.75**
9.	Export Promotion	0.74	2.00
10.	Research and Development	-	25.00
Total		234.09	303.55

(P) Provisional

\* It includes Rs. 8.86 crores met from Jute Special Development Fund

\*\* It includes Rs. 18.00 crores from Jute Special Development Fund



### Waiving of Loans of Riot Victims

2021. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken a decision to waive all loans availed of by the Riot Victims of 1984;

(b) if so, the details thereof;

(c) whether some representations in this regard have also been received by the Government;

(d) if so, the details thereof and the action taken thereon; and

(e) the details of other financial assistance proposed to be extended or already granted to the Riot Victims of 1984?

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

(b) Does not arise.

(c) and (d). As informed by the Ministry of Home Affairs, a Memorandum was recently received with regard to waiving off the loan and interest accounts of all victims of November, 1984 riots. The matter is under consideration and a final decision is yet to be taken in this regard.

(e) The office of Deputy Commissioner, Delhi have informed that as per order dated 5th July, 1996 from Hon'ble Delhi High Court, it has been directed that the widows and families of the victims, who lost their lives in the 1984 Delhi riots, be paid a sum of Rs.3.50 lakhs in each death, as death compensation. The victims have already been paid Rs.20,000/- in each case previously.

As regards bank loans to November, 1984 Riot Affected Borrowers are concerned, the reliefs/concessions already extended by the Government, inter-alia include:

- i) Reduction of interest to 6 per cent per annum, in deserving cases, on loans extended to November, 1984 Riot Affected Borrowers from 1st November, 1984 or from the date of grant of loan, if granted subsequently upto 31st December, 1989.
- ii) Write off of loans where the principal of loan was upto Rs.25,000/- at the time of grant of loan, alongwith the interest outstanding.
- iii) Scaling down of interest to 1% per annum (simple) in deserving cases, on loans from 1st November, 1984 or from the date of grant of loan, if granted subsequently upto 31st March, 1992.

[English]

### Multinational and Non-multinational MRTP Houses

2022. SHRI P.R. DASMUNSI : Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the number of the Monopolies and Restrictive Trade Practices Houses as on March 31, 1991 in the country;

(b) the number of multinational units as on March 31, 1996 in the country; and

(c) the details of non-multinational and multinational units which had shown profit as on March 31, 1995?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The number of the Monopolies and Restrictive Trade Practices (MRTP) Houses as on March 31, 1991, each with assets of not less than Rs.100 Crores, was 1995.

(b) and (c). There is no generally acceptable definition of a multinational/non-multinational company. As such Government do not maintain any statistics on companies operating in the country based on so-called classification of multi-national or non-multinational companies.

### Monitoring of GDRs and ECBs

2023. SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have formulated any new proposal in respect of access to Global Depositories Receipts (GDRs) and External Commercial Borrowings (ECBs);

(b) if so, the details thereof;

(c) whether the Government have constituted any cell/agency to monitor GDRs and ECBs by various Indian Companies; and

(d) if so, the details of the monitoring system?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. With a view to increase the mobilisation of foreign capital in the international capital markets for infrastructure and other sectors of the economy, Government has announced through a Press Note of on 19th June 1996, revised Guidelines, for issue of Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) by Indian Companies.

The Guidelines for a GDR/FCCB issues inter-alia, provide for:

- i) Relaxation in track record requirement for Indian Companies raising Euro issues to finance investments in infrastructure projects;

- ii) Removal of restriction on the number of Euro issues which may be floated by a company or Group of Companies in a financial year;
- iii) Broadening the areas of deployment of issue proceeds;
- iv) Permitting Banks, Financial Institutions and Non-Banking Finance Companies [registered with Reserve Bank of India (RBI)] to float GDR/FCCB issues with the restriction that the issue proceeds shall not be deployed in stock markets and real estate sector.

Guidelines on policies and procedures for External Commercial Borrowings for the year 1996-97 were also announced through a separate Press Note dt. 19th June, 1996. ECB Policy seeks to keep an annual cap or ceiling on access to ECB consistent with prudent debt management. The important changes in the ECB guidelines are:

- (I) Exporters, 100% EOUs and EPCG Licence-holders are permitted to raise ECB upto US \$ 15 million equivalent or the average amount of annual exports during the previous three years, whichever is lower, for meeting project-related Rupee expenditure.
- (II) Infrastructure projects in the Power, Telecommunications and Railway Sectors, have been permitted to utilise the ECB proceeds for Project-related rupee expenditure.
- (III) The limit under the existing US \$ 1 million Scheme, under which ECB can be utilised for Rupee expenditure, has been enhanced to US \$ 3 million.
- (IV) The corporates engaged in infrastructure projects in telecommunications and oil exploration and development (excluding refining), have been permitted to raise ECB at a minimum average maturity of five years.
- (V) In respect of infrastructure and greenfield projects, the access to ECB has been limited to 35% of the total project cost as appraised a recognised Financial Institution/Bank; however, greater flexibility shall be allowed to power projects.

(c) and (d). The launch of GDR/FCCB issues, related expenditure abroad, repatriation of issue proceeds into the country, etc., are subject to the approval mechanism of RBI under the provisions of Foreign Exchange Regulation Act (FERA) 1973. The companies raising GDB/FCCB issues are required to report to the RBI and the Government, on a quarterly basis, details on deployment of issue proceeds till they are finally expended on the approved purposes. Monitoring of ECBs availed by Indian Companies is done by Central Office of the RBI in association with its Regional offices.

### Credit/Deposit Ratio of Banks

2024. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state:

(a) whether the growth rate of deposits and credits of commercial banks has declined considerably during the financial year, 1995-96;

(b) if so, the extent thereof and the main reasons therefor; and

(c) the steps proposed to be taken to remedy the situation?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). Reserve Bank of India (RBI) have reported that during the year 1995-96 (31st March 1995 to 29th March 1996) there was decline in the rate of growth of both aggregate deposits and bank credit as compared with the previous year. While the growth of aggregate deposits of scheduled commercial banks decelerated from 22.8 per cent (Rs. 71,726 crore) to 11.8 per cent (Rs. 45,486 crore), the growth of bank credit declined from 28.7 per cent (Rs. 47,143 crore) to 19.2 per cent (Rs. 40,540 crore).

RBI have further reported that growth rates of the banking variables are however not strictly comparable as between 1994-95 and 1995-96. Firstly, there were 27 reporting fortnights in 1994-95 as against the usual 26 fortnights. Secondly, the last reporting Friday for 1994-95 coincided with March 31 and as such the year-end bulge was reflected in the banking data for 1994-95. The unduly inflated base of 1994-95 therefore got reflected in lower order for growth rates in 1995-96 than would have been the case otherwise.

Continuing the process of interest rate deregulation and with a view to augmenting the resources of the banking system, the RBI has taken a series of policy measures since the second half of the year 1995-96. Cash Reserve Ratio (CRR) was reduced in phases from 15 per cent of Net Domestic Demand and Time Liabilities (NDTL) to 12 per cent between November 11, 1995 to July 6, 1996. These measures have injected liquidity into the system which stimulates deposit growth as well. Other policy measures recently announced by Reserve Bank of India include shortening of minimum maturity from 46 days to 30 days and allowing banks freedom to determine deposits rates for maturity above one year, which is expected to have a favourable impact on deposit growth.

### Effect of W.T.O. Agreement

2025. DR. LAXMINARAYAN PANDEY : Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item appeared in the 'Statesmen' dated March 28, 1996 captioned

"Government's handling of GATT negotiations criticised" about a study undertaken by the National Working Group of eminent jurists:

(b) if so, whether the said study has been made on the direct and inevitable effect of the GATT/World Trade Organisation dispensation affecting the right to livelihood, the rights of farmers, the right to health and cheap medicine and also of economic sovereignty loss and threat to federalism in the set up of Indian administration; and

(c) if so, the reaction of the Government on each aspect and the recommendations?

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

(b) In the study referred to in the question, opinions have been expressed by the authors about the likely socio-economic implications of the Agreements reached under the Uruguay Round of Multilateral Trade Negotiations under the GATT. These include:

- (i) the Final Act intrudes extensively in every aspect of the domestic economy;
- (ii) the Government of India lacked the support of the rest of the developing world;
- (iii) the new imperative of globalisation at all costs has been invoked to make the signing of the Final Act a virtual fait accompli. Yet even after signing the Final Act, India still remains isolated and is the only major industrial power which will not be part of any regional bloc, in the aftermath of the Uruguay Round;
- (iv) the adverse effects on domestic agriculture and the pharmaceutical industry are inescapable; and
- (v) the Union Parliament and the State legislatures have been ousted of their legislative sovereignty.

(c) India was a Contracting Party to GATT 1947, and after taking into consideration all aspects of the Uruguay Round Agreements and after consultations with State Governments and extensive public debate on various facets of the Dunkel Proposals leading upto the Final Act, India ratified the Agreement Establishing the World Trade Organisation (WTO) alongwith the multilateral Trade Agreements prior to the date of entry into force of the WTO Agreement to become a founder member of the WTO. The acceptance of the Uruguay Round Agreement does not involve surrender of sovereignty.

Membership of the WTO would ensure that India's external trade takes place in the context of a rule based multilateral trading system which provides for stability, predictability and non-discrimination in international trade. India expects to be able to expand its exports of goods and services substantially under this system.

Given the short period of operation of the WTO, it is difficult to assess how well the rules of the system will protect India's particular trading interests, and will depend upon how effective the enforcement of those rules will be in practice. In evaluating for India the balance of benefits and costs of this global trading system, it is also important to bear in mind that all the factors which had limited the realisation of India's trade potential have not been removed with the single stroke of the establishment of the WTO, and that the outcome of negotiations of global trading rules in future will depend, inter alia, upon India's leverage in multilateral negotiations. In forging international or multilateral trade agreements, the interests of India's agriculture, leading sectors of industry and our genetic resources would continue to be protected.

#### Assistance to States By SIDBI

2026 SHRI SARAT PATTANAYAK : Will the Minister of FINANCE be pleased to state:

(a) the amount of assistance provided by Small Industries Development Bank of India during each of the last three years, State-wise;

(b) whether the Government propose to widen its capital base; and

(c) if so, the details thereof ?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMABRAM) : (a) As per information provided by the Small Industries Development Bank of India (SIDBI), the assistance disbursed during 1993-94, 1994-95 and 1995-96 State-wise is given in the attached statement.

(b) No such proposal is under consideration of Government at present.

(c) Does not arise.

#### STATEMENT

*Small Industries Development Bank of India  
State/Union-Territory Wise Assistance*

Rs. Crore

	Disbursements under all schemes			
	1993-94 1994-95 1995-96			
	1	2	3	4
<b>EASTERN REGION</b>				
Bihar		9.34	17.22	51.95
Orissa		29.31	29.40	53.35
Sikkim		0.39	0.44	1.86
West Bengal		85.47	100.42	157.84
Andaman & Nicobar Islands		0.08	0.08	0.00
<b>Total</b>		<b>121.59</b>	<b>147.56</b>	<b>265.00</b>

1	2	3	4
<b>NORTH EASTERN REGION</b>			
Arunachal Pradesh	0.84	0.43	1.05
Assam	11.20	3.55	17.85
Manipur	1.05	0.20	2.30
Meghalaya	2.44	2.04	1.97
Mizoram	0.16	0.10	0.43
Nagaland	0.40	0.03	1.13
Tripura	0.64	1.08	3.40
<b>Total</b>	<b>16.73</b>	<b>7.43</b>	<b>28.13</b>
<b>NORTHERN REGION</b>			
Haryana	126.03	128.54	280.85
Himachal Pradesh	17.35	10.01	32.51
Jammu & Kashmir	2.71	3.10	9.85
Punjab	92.56	107.32	218.70
Rajasthan	95.47	121.47	195.52
Uttar Pradesh	160.80	184.91	434.14
Chandigarh	2.36	0.83	7.64
NCT of Delhi	214.94	428.36	211.17
<b>Total</b>	<b>712.22</b>	<b>984.54</b>	<b>1390.38</b>
<b>WESTERN REGION</b>			
Goa	22.05	18.38	31.82
Gujarat	80.43	935.63	514.76
Madhya Pradesh	88.24	103.23	153.03
Maharashtra	435.23	559.37	750.71
Dadra & Nagar Haveli	0.48	0.54	1.77
Daman & Diu	1.08	3.64	2.53
<b>Total</b>	<b>927.51</b>	<b>1122.14</b>	<b>1454.62</b>
<b>SOUTHERN REGION</b>			
Andhra Pradesh	111.78	149.18	258.41
Karnataka	281.40	286.00	488.29
Kerala	100.24	129.34	187.52
Tamil Nadu	358.04	503.95	694.63
Lakshadweep	0.00	0.00	0.00
Pondicherry	4.31	1.58	3.31
<b>Total</b>	<b>855.77</b>	<b>1070.05</b>	<b>1632.16</b>
<b>GRAND TOTAL</b>	<b>2636.82</b>	<b>3331.72</b>	<b>4770.29</b>

### Corporate Tax

2027. SHRI ANANTH KUMAR :  
 SHRI ANAND RATNA MAURYA :  
 SHRI RAJIV PRATAP RUDY :  
 SHRI K.C. KONDAIAH :

Will the Minister of FINANCE be pleased to state:

(a) whether some companies have been paying dividends to their share-holders without paying the

corporate tax due to a large number of tax exemptions available to them:

(b) if so, the details thereof:

(c) whether the Government propose to charge a minimum corporate tax from such companies:

(d) if so, the details thereof; and

(e) the likely goal to be achieved by introduction of this scheme?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b). Yes, Sir. A sample study conducted by the Income Tax Department has shown that there are some companies which have been paying dividends to their share-holders without paying the corporate tax due to a large number of exemptions, deductions and incentives available to them under the provisions of Income Tax Act. Complete details of such zero tax companies are, however, not maintained by the Income Tax Department.

(c) and (d). The Finance (No.2) Bill 1996, introduced in the Lok Sabha on 22nd July, 1996 contains a proposal for levy of a 'Minimum Alternate Tax' (MAT) on companies. In a case where the total income of the Company, as computed under the Income Tax Act after availing of all eligible deductions is less than 30% of the book profit, the total income of such a Company shall be deemed to be 30% of the book profit and shall be charged to tax accordingly. Companies engaged in the power and infrastructure sector will, however, be exempted from the levy of MAT.

(e) The minimum Alternate Tax has been proposed with a view to levy some tax on those companies which are earning substantial book profit and are paying handsome dividends but are not contributing to the Exchequer.

### Interest Rates on T.D.

2028. SHRI MOHAN RAWALE : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has given a free hand to the scheduled commercial banks in the country to fix any rate of interest on term deposits above one year duration;

(b) if so, the details thereof:

(c) whether the foreign banks operating in the country have started to attract depositors by increasing interest rates on such deposits w.e.f. July 2, 1996:

(d) if so, the details thereof and its impacts on the deposits to be mobilised by the Indian Banks; and

(e) the reaction of the Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b). Reserve Bank of India (RBI) have reported that

effective July 2, 1996 commercial banks have been allowed to determine their own interest rates on domestic term deposits over one year.

(c) to (e). RBI have further reported that as commercial banks including foreign banks have been given freedom to determine their own interest rates for deposits over one year, it is open to individual banks to determine the rates, taking into account, inter alia, cost of funds, return on funds and their inter-bank borrowing/lending status.

According to RBI, some of the foreign banks have offered interest rates on term deposits at rates which are generally higher than those offered by Indian Banks in the public sector. RBI have stated that the foreign banks operate on a narrow base, with few branches, mostly in metropolitan centres and that their offering higher rates on deposits is not likely to adversely affect the overall deposits mobilisation efforts of Indian banks.

#### Lok Adalats in Delhi

2029. SHRI JAI PRAKASH AGARWAL : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the names of the places in National Capital Territory of Delhi where Lok Adalats have been organised during the last three years, till date;

(b) the number of cases disposed of during the above period, year-wise.

(c) whether there is any proposal under consideration of the Government to extend the jurisdiction of Lok Adalats;

(d) if so, the details thereof and the progress made so far in this regard; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) On the basis of the information provided by the Delhi Legal Service Authority, 23 Lok Adalats were organised in Delhi during the last three years, namely 1993, 1994 and 1995 and till July, 1996 at the following places:

Name of the Place	Number of Lok Adalats organised
i) Patiala House Courts Complex	13
ii) Tis Hazari Courts Complex	04
iii) Karkardooma Courts Complex	04
iv) Campus Law Centre, Delhi University	01
v) Vidya Bhawan Maha Vidyalaya Sr. Sec. School, Lodi Estate	01

(b) Year	Number of cases disposed of
1993	598
1994	949
1995	2,898
1996 (till July)	6,871

(c) to (e). Lok Adalats which were heretofore voluntary efforts for resolution of disputes through conciliatory and persuasive methods have been accorded a statutory base with the enforcement of the Legal Services Authorities Act, 1987 with effect from 9th November, 1995.

According to sub-section (5) of section 19 of the said Act, the Lok Adalats shall have jurisdiction to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of -

- any case pending before; or
- any matter which is falling within the jurisdiction of and is not brought before, any court for which the Lok Adalat is organised.

Lok Adalats shall, however, have no jurisdiction in respect of any case or matter relating to an offence not compoundable under any law.

#### Supply of Coal

2030. SHRI KRISHAN LAL SHARMA : Will the Minister of COAL be pleased to state:

(a) whether the coal industry is likely to increase its delivery schedule from 270 metric tonnes at present to 400 metric tonnes by the turn of the century;

(b) if so, the details thereof; and

(c) the steps proposed to be taken by the Government to streamline the working of coal mines to achieve this end?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c). The projections for Ninth Plan for the period 1997-2002 have not been firmed up. However, the Planning Commission has constituted a Working Group on Coal and Lignite to prepare an approach paper for the Ninth Plan. The provisional report of this Working Group indicates that in the year 2001-02 the supply of coal would be 348 Million Tonnes from all sources excluding the captive mining blocks which are expected to come up in the private sector. These include the following:-

- Opening up of new mines and increasing efficiency and productivity in existing mines by modernisation, application of new

technologies and ensuring timely availability of inputs and infrastructural facilities.

- (ii) Earlier, the coal companies were unable to take up new mining projects since these were not remunerative. The Government has recently de-regulated the price of coking coal as well as the price of grade A.B. & C of non-coking coals. This is expected to make some of the projects viable and will enable the coal companies to increase production of these coals.
- (iii) The partial de-regulation of coal prices is also likely to make some additional funds available with the coal companies which shall enable new projects to be taken up with greater vigour.
- (iv) The capital base of Coal India Ltd. has been restructured to enable it to raise additional financial resources from domestic and foreign financial institutions in order to enable adding new coal production capacity.
- (v) Co-ordination with the Railways to remove the transportation bottlenecks in potential coalfield areas.
- (vi) Co-ordination with the State Governments to remove the bottlenecks on account of land acquisition.
- (vii) Private sector companies engaged in production of iron & steel, cement and generation of power have now been permitted to take up coal mining. This is expected to increase domestic coal production.
- (viii) Modifications of existing washeries as well as construction of new washeries are being taken up to increase the availability of washed coking coals in the country.

[Translation]

#### R.R.Bs in U.P.

2031. SHRI RAMASHRAYA PRASAD SINGH :  
SHRIMATI SHEELA GAUTAM :

Will the Minister of FINANCE be pleased to state:

(a) the locations of the Regional Rural Banks in Uttar Pradesh;

(b) whether the Union Government have received proposals for setting up the branches of Regional Rural Banks in Uttar Pradesh; and

(c) if so, the time by which the branches of Regional Rural Banks proposed to be set up in the State with locations thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) National Bank for Agriculture & Rural Development (NABARD) have reported that there are 40 Regional Rural Banks (RRBs) in Uttar Pradesh with Headquarters at Moradabad, Gorakhpur, Azamgarh, Barabanki, Raebareilly, Farrukhabad, Sitapur, Ballia, Sultanpur, Lucknow, Kanpur, Bahraich, Etawah, Badaun, Mainpur, Varanasi, Basti, Allahabad, Pratapgarh, Faizabad, Fatehpur, Bareilly, Gonda, Aligarh, Banda, Etah, Jaunpur, Orai, Jhansi, Bijnor, Shahjahanpur, Nainital, Mirzapur, Lakhimpur Kheri, Agra, Muzaffarnagar, Pithoragarh, Dehradun, Pauri and Ghaziabad.

(b and (c). The licences for opening new branches are not issued by Government of India. RRBs may open new branches only after they have obtained appropriate licence from Reserve Bank of India (RBI). RBI has informed that proposals for opening of new branches have been received from five RRBs of Uttar Pradesh.

[English]

#### Sick Textile Mills

2032. SHRI SANAT MEHTA :  
SHRI S.D.N.R. WADIYAR :

Will the Minister of TEXTILES be pleased to state:

(a) the number of sick textile mills of NTC, State-wise, particularly in Gujarat and Karnataka;

(b) whether the Government propose to close down some sick textile Mills of NTC;

(c) if so, the details thereof;

(d) whether NTC propose to take over K.R. Mills, Mysore; and

(e) if so, the details thereof?

: THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) 8 out of 9 subsidiary corporations of NTC have been referred to the BIFR which has declared them to be sick industrial companies. These 8 subsidiary corporations have under their control 91 mills. A statement is enclosed indicating the State-wise number of these mills.

#### STATEMENT

(a)

Name of the State	No. of Mills
1	2
Delhi	1
Punjab	4
Rajaasthan	4
Madhya Pradesh	7
Uttar Pradesh	9

1	2
Maharashtra	22
Gujarat	12
Andhra Pradesh	6
Karnataka	4
Kerala	5
Pondicherry	1
Assam	1
Bihar	2
Orissa	1
West Bengal	12
Total	91

(b) and (c). There is no proposal to close down any of the mills under NTC. However, 36 unviable mills are proposed to be restructured into 18 viable mills by merger, as per the modernisation plan prepared by the Textile Research Associations.

(d) No. Sir.

(e) Does not arise.

#### Assistance from N.R.F.

2033. SHRI HARIN PATHAK : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Gujarat Government has submitted any proposal for financial assistance from the National Renewal Fund;

(b) if so, the details thereof alongwith the decision taken thereon; and

(c) if not, by when the decision is likely to be taken?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) (a) to (c). Yes, Sir. Two proposals from the Government of Gujarat have been received for assistance from the National Renewal Fund for restructuring of the Gujarat State Textile Corporation Ltd. and Area Regeneration Scheme for closed textile mills, under liquidation. The amount of assistance sought from the National Renewal Fund for the above two proposals is Rs.96.83 crores and Rs.168.37 crores, respectively. Assistance from National Renewal Fund is available only for Voluntary Retirement Schemes in Central Public Sector Enterprises and Schemes for counselling, retraining and redeployment of rationalised workers.

#### Export of Electronics and Computer Software

2034. SHRI MRUTYUNJAYA NAYAK : Will the Minister of COMMERCE be pleased to state:

(a) whether the export of electronics and computer software has increased during 1994-95 and 1995-96;

(b) if so, the details thereof;

(c) the percentage of growth registered during the above period;

(d) the amount of foreign exchange earned therefrom during the above period; and

(e) the steps taken by the Government to boost the export of these items?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (d). Yes, Sir. The details about export, percentage growth and foreign exchange earned are given below:-

(Value in Rs. Crore)

	1993-94	1994-95	1995-96
Electronic Hardware (% Growth)	1078.00	1507.00 (39.80)	2400.00 (59.26)
Computer Software (%Growth)	1020.00	1474.00 (44.51)	2650.00 (79.78)
Total	2098.00	2981.00	5050.00
Foreign exchange earned (%Growth)		(42.09)	(69.41)

(Source : Electronics & Computer Software Export Promotion Council)

(e) The various steps taken to boost the export of these products include participation in exclusive Indian shows/international exhibitions, sponsoring of market surveys etc. Besides, the general measures taken to boost exports include introduction of Electronic Hardware Technology Parks (EHTP) Scheme and Software Technology Parks(STP) Scheme, duty free import of raw materials/capital goods, Special Import Licence, exemption from Income Tax on profits accrued out of exports, assistance under Market Development Fund etc.

#### Export of Contaminated Wheat

2035. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state:

(a) whether the shipments of Indian wheat had run into problems in Turkey and Morocco with authorities there saying that the cargo was contaminated;

(b) if so, the details thereof and the ultimate fate of the contaminated wheat shipments;

(c) whether 21 countries have officially notified a ban on import of wheat infected with the Karnal bunt virus-fungus;

(d) if so, the details thereof; and

(e) the action taken by the Government for the proper inspection of the wheat consignments before their shipment?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b) Some consignments of wheat from India were detained by the Turkish and Moroccan authorities as they were found to be infected by *Tilletia Indica* (Karnal Bunt) fungus. All consignments, except one, have been re-exported from Turkey/Morocco. One consignment of wheat is still in quarantine in Morocco.

(c) and (d). Yes, Sir. Norway, Bulgaria, Hungary, Macedonia, Tunisia, Turkey, Russian Federation (including the independent Republics of Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Turkmenistan, Ukraine and Uzbekistan), Algeria, Morocco, Saudi Arabia, South Africa, China, Vietnam, New Zealand, El Salvador, Honduras, Argentina, Brazil, Chile, Uruguay and Paraguay have banned import of wheat infected with *Tilletia Indica* (Karnal Bunt) fungus. In addition Canada and Mexico are known to regulate the import of wheat from countries where Karnal Bunt is known to occur.

(e). Inspection of wheat for issuing Phytosanitary Certificate at the time of export for quarantine purposes is being carried out by the Directorate of Plant Protection and Quarantine, Ministry of Agriculture or the Directors of State Agriculture authorised for this purpose by the Directorate of Plant Protection Quarantine and Storage.

#### Subsidy on Fruits

2036. Will the Minister of COMMERCE be pleased to state:

(a) the total amount of subsidy provided by Agricultural and Processed Food products Export Development Authority (APEDA) to Lichi, Mango, Mushroom cultivators and exporters during each of the last three years;

(b) whether the subsidy given to them have been actually used and proportionate quantity of real export and cultivation took place during the above period;

(c) if so, whether the Government ever physically investigate in the actual operation in the field;

(d) if not, the reasons therefor, and

(e) the steps taken by the Government to investigate the proper utilisation of subsidy?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The total amount of financial assistance provided by the Agricultural and Processed Food Products Export Development Authority (APEDA) under its various schemes as well as the air freight subsidy provided for selected floricultural and horticultural products and vegetables (including Lichi, Mangoes and Mushrooms)

during the years 1993-94, 1994-95 and 1995-96 is as under:-

(Rs. in lakhs)

1993-94	511.65
1994-95	615.14
1995-96	675.00

(b) to (d). Financial assistance is provided by APEDA on a reimbursement basis. The amount of financial assistance is released to the beneficiary only after the required expenditure has been incurred by the beneficiary on the approved items. In certain cases like infrastructure development i.e. pre-cooling units, grading/packaging units, refrigerated vehicles, quality control systems, financial assistance is released only after verification of the facility by APEDA.

(e) Does not arise.

#### Saving Rate

2037. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a considerable fall in saving rate in the country; and

(b) if so, the main reasons therefor and the remedial steps being taken in this regard?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) As per the latest data available with the Central Statistical Organisation the saving rate measured as a ratio of gross domestic savings to gross domestic product at current market prices showed a sharp increase from 21.4 per cent in 1993-94 (provisional) to 24.4 per cent in 1994-95 (Quick estimates).

(b) Does not arise.

#### Export of Meat and Livestock

2038. DR. LAXMINARAYAN PANDEY: Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of meat and livestock exported and the foreign exchange earned there from during 1995-96 in comparison to 1994-95, country-wise and item-wise;

(b) whether the Government have considered the modernisation of slaughter houses and factories in the country and to extend this facility to the exporters of meat and its products through Agricultural and Processed Food Products Export Development Authority (APEDA); and

(c) if so, the details thereof, location-wise?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The total quantity of meat and livestock exported and the



foreign exchange earned during 1994-95 and 1995-96 is given as under:-

#### Export of meat

(Qty. in lakh MT)  
(Value : in Rs. Crores)

1994-95		1995-96	
(Qty.)	(Value)	(Qty.)	(Value)
1.31	397.25	1.82	624.72

#### Export of live animals

(Qty. in lakh numbers)  
(Value : in Rs. Crores)

1994-95		1995-96(P)*	
(Qty.)	(Value)	(Qty.)	(Value)
28.00	2.65	87.91	8.78

\*(P)- Provisional  
(Source: DGCI&S, Calcutta)

Country-wise and item-wise details are available in the Monthly Statistics of the Foreign Trade of India, Volume-I (Exports) published by the Directorate General of Commercial Intelligence & Statistics, copies of which upto December, 1995 are available in the Parliament Library. Country-wise and item-wise export figures for the month of January, February and March, 1996 are not available.

(b) and (c). Yes, Sir. APEDA provides financial assistance upto 50% of the cost of upgradation/modernisation to the public sector slaughter houses/processing plants engaged in export production to enable them to meet the international standards. Financial assistance under the scheme is being provided since 1989-90. Financial assistance provided upto 1995-96, location-wise, is as under:-

Year	Assistance Provided (Rs. in lakhs)	Location
1989-90	3.93	Idgah Slaughter House, Delhi
1990-91 to 1995-96	63.00	Deonar Abattoir, Bombay

#### Functioning of Indian Institute of Plantation Management

2039. SHRI SARAT PATTANAYAK : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to expand the functioning of Indian Institute of Plantation Management; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No, Sir.

(b) Does not arise.

[Translation]

#### Trade Agreements

2040. SHRI JAI PRAKASH AGARWAL :

Will the Minister of COMMERCE be pleased to state:

(a) the details of the countries who have shown interest in increasing trade with India during the last six months;

(b) whether any trade agreement has also been signed by India with those countries during the above period;

(c) if so, the details of areas identified in this regard, country-wise; and

(d) the progress made so far in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Efforts to promote bilateral trade both by India and by its trading partners is a continuous process. A large number of countries including countries in North America, Latin America and Caribbean region, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Iran, Israel, Jordan, Lebanon, Republic of Yemen, Syria, Algeria, Egypt, Libya, Morocco, Iraq, Sudan, Tunisia, Indonesia, Malaysia, New Zealand, CIS countries, all major countries of East European region etc. have shown interest in increasing trade with India during the last six months.

(b) to (d). During the last six months, no trade agreement has been signed by the Government. However, a joint declaration on terms of reference for establishing the Indo-Brazilian Commercial Council was signed during the visit of the Brazilian President to India on 27.1.1996. The Council will further develop and strengthen trade, commercial and investment ties between the two countries.

[English]

#### Judicial Reforms

2041. SHRI KRISHAN LAL SHARMA : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether a leading organisation of Industry of the country has submitted a report on need of judicial reforms in the country;

(b) if so, the main features thereof;

(c) whether the Government have accepted the recommendations of that organisation; and

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

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (d). A report on Judicial Reforms prepared by the task force constituted by the Federation of Indian Chambers of Commerce and Industry has come to Government's notice through a writ petition filed by Shri D.C. Singhania and another in the Karnataka High Court during February, 1996 urging the implementation of their suggestions/recommendations. The matter at present, therefore, is sub-judice.

#### **North-South Dialogue and Non-Alignment Movement Appeal for Changing the Policy on Exports**

2042. SHRI RAMASHRAYA PRASAD SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether any perceptible changes have been brought in policy of international trade of the developed countries to accommodate exports from the developing countries after North-South Dialogue and Non-aligned Movement Appeal;

(b) whether any protective measures adopted by the developed countries have related in any way;

(c) if so, the details thereof;

(d) whether our export with developed countries have declined during 1995;

(e) if so, the details thereof; and

(f) the steps taken by the Government to boost export with the developed countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Through North-South Dialogue, Non-Aligned Movement and other similar fora, the developing countries have been attempting to foster a supportive international economic environment which accommodates the developmental needs of the developing countries and promotes their increased participation in the world economy. The concerns of developing countries in international trade such as lowering of protectionist barriers (both tariff and non-tariff) and avoidance of trade distorting and restricting measures including possible trade restriction on grounds of environment or non-compliance with labours standards by developed countries, are also being highlighted in these fora.

It may not be possible to establish a direct nexus between the policy changes of international trade of the developed countries and the North-South Dialogue/Non-Aligned Movement Appeal, etc. as at present the international trade is largely governed by the multilateral trading systems. However, the Uruguay Round has

resulted in important outcomes for the developing countries. As a result of the Uruguay Round, there has been substantial strengthening of the rule based multilateral trading system and enhancement of transparency and predictability in the trading system. Trade has been and will continue to be stabilized and liberalized through the binding and reduction of tariffs, thus securing market access. Discipline has been tightened in a number of areas including those involving the use of subsidies, countervailing and anti-dumping duties and safeguard measures frequently invoked against developing countries by the developed countries. Two major sectors, viz. agriculture and textiles and clothing, which are of special export interest to the developing countries have been brought into the ambit of multilateral trading system. Further, the strengthened dispute settlement procedures will enhance the credibility of the multilateral trading system and provide a level playing field to the developing countries. Special and differential treatment provisions for the developing countries and least developed countries have also been provided in a number of agreements and arrangements that constitute the Final Act of the Uruguay Round.

(d) No, Sir.

(e) Does not arise.

(f) Steps taken for export promotion by Government include simplification of Export-Import Policy and Procedures, increasing export production, improving efficiency and competitiveness, focussing on quality improvement and technological upgradation, improvement in infrastructure and actively involving State Governments in export promotion. The Government also encourages Chambers of Commerce, Export Promotion Councils, Commodity Boards to mount trade delegations, organize buyer-seller meets, participate in trade fairs, etc. Export promotion is a continuous activity and the Government constantly interacts with the exporting community regarding steps required to accelerate export promotion.

#### **SC/ST Judges in Courts**

2043. SHRI MRUTYUNJAYA NAYAK : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the number of High Court Judges in each High Court belonging to SCs, STs and Backward classes respectively as on June 30, 1996; and

(b) the number of judges in Supreme Court belonging to the above categories as on June 30, 1996?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) and (b). There being no reservations in the matter of appointment of Judges of Supreme Court and High Courts on the basis of caste or class of persons, information is not maintained separately for caste or class etc.

### Grant of Patents to NRIs for Turmeric

2044. SHRI A.C. JOS : Will the Minister of INDUSTRY be pleased to state:

(a) whether the United States have granted patent to two NRIs on the wound healing properties of turmeric;

(b) if so, whether the Government have assessed the damage it will cause to Indian manufacturers;

(c) if so, the details thereof; and

(d) the steps being taken by the Government to protect Indian interests in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) A patent for a method of promoting healing of a wound by administering turmeric powder to a patient afflicted with the wound has reportedly been granted in USA to two non-resident Indians.

(b) to (d). The patent granted in USA is valid in that country and does not have any legal effect in India. Even then, CSIR and Government of India are taking action in this matter.

### Merger of TOMCO with HLL

2045. SHRIMATI GEETA MUKHERJEE : Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the merger of TOMCO with HLL has proved to be a trend setter for merger and acquisitions in the Corporate Sector in the country;

(b) whether the Uniliver group in India has undergone a complete transformation with the acquisitions of a number of companies;

(c) if so, the details thereof;

(d) whether the Government has evolved a clearcut policy to draw a line where the economies of scale end and monopolies begin; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The amalgamation of TOMCO with HLL has not set a new trend in the country.

(b) and (c). Restructuring of companies belonging to this group has taken place through amalgamation of companies within the group as well as by amalgamation/acquisition of companies from outside the group. Growth, diversification and consolidation of their business activities has taken place, resulting in substantial increase in turnover.

(d) and (e). Concept of "Monopolistic undertaking" as defined under Section 2(j) of the MRTP Act, 1969 was deleted from the Act with effect from 1.8.1984 by the MRTP (Amendment) Act, 1984. In view of this, the question of laying down any a priori distinction between

monopolies and economies of scale does not arise. However, the MRTP Commission is empowered to look into allegations relating to the monopolistic, restrictive and unfair trade practices under the provisions of the MRTP Act.

### Incentives to Investors by M/s Paraarampuri Synthetics Ltd.

2046. SHRI SANAT KUMAR MANDAL : Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether attention of the Government has been invited to the news-item appearing in "The Financial Express", New Delhi dated July 1, 1996 under captioned "Parasram Puria offers gifts to woo investors";

(b) if so, whether the Department of Company Affairs has examined the implications of the Company's brokers offering heavy incentives to attract the investors in the context of the provisions of the existing Companies Act, 1956 and the Rules made thereunder;

(c) if so, the outcome thereof;

(d) whether it is in consonance with the existing Law; and

(e) if not, the steps taken to discontinuance of such malpractices?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) to (e). The conduct of stock brokers and sub-brokers is regulated under Stock-Brokers and Sub-Brokers Regulations 1992 issued by the Securities and Exchange Board of India (SEBI). In order to facilitate an examination of the implications in the context of the provisions of the Companies Act, 1956, the Department of Company Affairs (DCA) has requested SEBI to look into the matter and send material regarding whether the offering of heavy incentives was done with direct or indirect assistance of the company.

### Fixation of Seniority and Pay in L.I.C.

2047. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state:

(a) whether any punitive action has been taken against officers of LIC and the Insurance Division of the Finance Ministry for denying the benefits of seniority and fixation as per the orders of the Ministry of Home Affairs to staff of LIC;

(b) if so, the details thereof;

(c) whether any mandatory orders have been issued to LIC in this regard;

(d) if not, by what date will it be issued; and

(e) whether LIC will be asked to pay interest?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). The Notification issued by the Ministry of Home Affairs is applicable to the released Emergency Commissioned Officers and Short Service Commissioned Officers of the Armed Forces of the Union for their re-employment in the Central Civil Services. These orders are not automatically applicable to the posts in LIC. After considering all aspects, orders were issued that only last pay drawn of ex-ECOs/SSCOs will be protected and not their seniority.

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

#### Khadi and Village Industries Commission

2048. SHRI HARIN PATHAK : Will the Minister of INDUSTRY be pleased to state:

(a) the names of districts where Khadi and Village Industries Commission employment generation programmes are being implemented; and

(b) what are the norms for adopting the districts for the above programme?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) At present, the Special Employment Programme (SEP) is being implemented by Khadi and Village Industries Commission in the following Districts:-

	Name of District	State
1.	Kurnool	Andhra Pradesh
2.	Adilabad	Andhra Pradesh
3.	East Godavari	Andhra Pradesh
4.	Banaskanta	Gujarat
5.	Ambala	Haryana
6.	Chamba	Himachal Pradesh
7.	Anant Nag	Jammu & Kashmir
8.	Jammu	Jammu & Kashmir
9.	Kolar	Karnataka
10.	Alleppey	Kerala
11.	Pathanamthitta	Kerala
12.	Thriss	Kerala
13.	Koshikode	Kerala
14.	Sarguja	Madhya Pradesh
15.	Jhabua	Madhya Pradesh
16.	Chandrapur	Maharashtra
17.	Kalahandi	Orissa
18.	Dausa	Rajasthan
19.	Tonk	Rajasthan
20.	Jaipur	Rajasthan
21.	Ramanathapuram	Tamil Nadu
22.	Tirunelveli	Tamil Nadu
23.	Mau-Balia	Uttar Pradesh
24.	Jaunpur	Uttar Pradesh
25.	Birbhum	West Bengal

(b) The districts have been selected based on the criteria such as concentration of Scheduled Caste and Scheduled Tribe population and the potential for taking up viable projects in the KVI sector: industrial backwardness of the districts etc.

#### Hindustan News Print Ltd.

2049. SHRI RAMESH CHENNITHALA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to expand Hindustan Newsprint Ltd. Velloor, Kottayam, Kerala; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

(b) In view of the unfavourable market conditions for newsprint, Hindustan Newsprint Ltd., Kerala have deferred their expansion plan for the present.

[Translation]

#### Illegal Trade of Foreign Exchange

2050. SHRI MAHESH KUMAR M. KANODIA : Will the Minister of FINANCE be pleased to state:

(a) whether the cases of illegal trading of foreign exchange in Delhi have come to the notice of the Government;

(b) if so, the number of such cases and the value of foreign exchange seized during the last six months, and

(c) the steps taken by the Government for preventing the illegal trading of the foreign exchange?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Delhi office of the Enforcement Directorate detected eight cases of illegal trading in foreign exchange during the last six months. As a result, foreign exchange worth Rs.78 lakhs (approx.) was seized.

(c) A strict vigil is kept and action as warranted under the Foreign Exchange Regulation Act '73 is taken as and when any such case is detected.

[English]

#### Foreign Investment

2051. DR. KRUPASINDHU BHOI : Will the Minister of INDUSTRY be pleased to state:

(a) the details of the projects and areas in India where foreign investors are interested for investment; and

(b) the decision taken by the Union Government on the proposals received?

**THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) :** (a) During the Post Policy period i.e. from 01.08.91 to 31.05.96, 4679 proposals for foreign direct investment were approved involving foreign direct investment of Rs.71058.23 crores in different areas.

The details of such proposals viz. name of Indian company, name and country of foreign collaborator, equity investment involved and item of manufacture/activity are published by the Indian Investment Centre as a supplement to the Monthly Newsletter and copies of these are regularly supplied to the Parliament Library.

(b) The proposals were considered and approved according to the Industrial Policy, in force.

### Closure of Industries

**2052. SHRI SRIBALLAV PANIGRAHI :** Will the Minister of INDUSTRY be pleased to state:

(a) the details of industries closed down or declared sick after the announcement of industrial policy;

(b) the details of such industries which have been captured by multinational companies or big industrial houses after the announcement of industrial policy; and

(c) the steps taken by Government to safeguard the interest of workers involved in such industries?

**THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) :** (a) The provisions relating to closure of industries are contained in the Industrial Disputes Act, 1947. According to the information available from the Labour Bureau, the number of units closed during 1992, 1993, 1994, 1995, and 1996 (January to May) are 187, 493, 228, 183, and 29, respectively. As regards the sick industrial units, the relevant data is compiled by the Reserve Bank of India. According to the latest RBI data available as at the end of March, 1995, the number of sick industrial units in the small scale and non-small scale sectors is as under:-

As at the end of	No. of sick SSI units	No. of sick non-SSI units
March, 1992	245575	1536
March, 1993	238176	1867
March, 1994	256452	1909
March, 1995	268815	1915

(b) Such information is not centrally maintained.

(c) The Industrial Disputes Act provides for payment of compensation to the workers in the event of retrenchment/closure. Whenever proposals for merger of units/companies are received, it is insisted that conditions of employment of workers are not adversely affected in the event of such mergers/amalgamations.

### Small Industries Board

**2053. SHRIMATI SUMITRA MAHAJAN :** Will the Minister of INDUSTRY be pleased to state:

(a) whether the Small Industries Board has recommended for setting up of a tribunal to deal with the problems of sick small industries;

(b) if so, the details thereof;

(c) the extent of sickness in small industrial units during the last three years; and

(d) the steps being taken by the Government to tackle the problem?

**THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) :** (a) and (b). Yes, Sir. Small Scale Industries Board in its meeting held on the 16th December, 1994 has recommended that an institutional arrangement in the form of a Tribunal be made which will act as the mechanism of rehabilitation of potentially viable, but sick, SSI units so as to enable detection of sickness at the incipient stage and implementation of rehabilitation packages within the stipulated time frame.

(c) As per the data collected by Reserve Bank of India from the Scheduled Commercial Banks, total number of SSI units as at the end of March, 1993, 1994, and 1995 aggregated 2,38,176, 2,56,452 and 2,68,815 with outstanding amounts of Rs. 3442.97, 3680.37 and 3547.16 crores respectively. Of these 21649, 16580 and 15539 units with outstanding amounts of Rs. 798.79, 685.93 and 597.93 crores respectively were considered as potentially viable.

(d) For tackling the problems of industrial sickness in SSI sector and rehabilitation of sick units, Reserve Bank of India has issued guidelines to commercial banks in February, 1987 (modified in June, 1989 and April, 1993), containing inter alia, definition of sick SSI units, viability norms, incipient sickness, as also reliefs/concessions from banks/financial institutions for implementation of packages in the case of potentially viable sick (SSI) units.

### Setting up of Industrial Unit in Kerala

**2054. SHRI MULLAPPALLY RAMACHANDRAN :** Will the Minister of INDUSTRY be pleased to state:

(a) whether any offer has been received from abroad to set up Industrial Units in Kerala;

(b) if so, the details of proposals and amount offered to be spent;

(c) whether any decision has been taken thereof, and

(d) if so, the details thereof?

**THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) :** (a) to (d). 43 number of foreign collaboration proposals involving foreign direct investment have been received and approved during the post policy period i.e.

from 1.8.91 to 31.05.96 envisaging foreign direct investment of Rs. 109.17 crores in the State of Kerala.

The details of such proposals viz. name of the Indian company, name and country of foreign collaborator, equity investment involved, item of manufacture/activity are published by the Indian Investment Centre as a supplement to the Monthly Newsletter and copies of these are regularly supplied to the Parliament Library.

### Prohibition in States

2055. SHRI N. RAMAKRISHNA REDDY :  
SHRI L. RAMANA :  
SHRIMATI BHAVNABEN DEVRAJ BHAI  
CHIKHALIA :

Will the Minister of FINANCE be pleased to state:

- (a) the States which have imposed prohibition;
- (b) whether the Union Government have provided financial assistance to these States to make up the loss on account of the prohibition;
- (c) if so, the details thereof during the last two years and current year, so far, State-wise;
- (d) whether some of the above States have also levied heavy taxes on various areas to make-up the loss;
- (e) if so, its impact on the common man;
- (f) whether the Union Government propose to direct such State Governments to reconsider their decision of imposing heavy taxes; and
- (g) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) Prohibition being a State subject, information in this regard has to be collected from States, and shall be furnished later.

(b) and (c). The Government of India have no scheme at present to provide financial assistance to States to make up the loss on account of prohibition.

(d) to (g) The States levy taxes depending upon the need to raise resources and looking to the general economic environment. It is difficult to say whether any tax has been imposed or enhanced to make up for the loss on account of imposition of prohibition. It is not possible for Government of India to judge whether a particular tax is heavy or not. Since the States are autonomous, it will not be proper for the Government of India to interfere in their legislative competence to levy tax.

### Export of Basmati Rice

2056. PROF. AJIT KUMAR MEHTA : Will the Minister of COMMERCE be pleased to state:

(a) whether there is any decline in the export of basmati rice;

(b) if so, the percentage of decline in basmati rice exports and in the foreign exchange earnings as a result thereof during 1995 and 1996;

(c) the main reasons for its steep decline in exports; and

(d) the measures taken by the Government to boost the exports of basmati rice?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b). The quantity and value of basmati rice exported during the last three years and the percentage change in exports both in quantity and value terms over the corresponding period of the previous year(s) is as under:

Year	Quantity (MT)	Value (Rs.)	% Change over the corresponding period Crores) of previous year in	
			Quantity Terms	Value Terms
1993-94	527233	1061.27	-	-
1994-95	442125	865.32	(-)16.14	(-)18.46
1995-96	392258	851.16	(-)11.27	(-)1.63
1996-97	57260	119.65	49.41	25.80
(APRIL'96)				
APRIL'95	38322	88.77		

(c) The fall in exports of basmati rice occurred due to depressed demand in the importing countries and high domestic prices.

(d) Some of the measures taken to promote export of rice include, inter-alia conducting publicity campaigns, delegations abroad, participating in International Trade Fairs, inviting potential buyers and providing financial assistance to exporters for improving quality, packaging, brand promotion of products and for conducting market surveys.

### Regulatory Authority for Insurance Sector

2057. SHRI SOUMYA RANJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Insurance Regulatory Authority has since started functioning;

(b) if so, the details of its scope and terms of office; and

(c) the particulars of its Chairman, Members and also the officials working at present on deputation?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b). Yes, Sir. The Govt. has set up an interim Insurance

Regulatory Authority (IRA) w.e.f. 23.1.1996. A copy of the Govt. Resolution setting up the IRA and giving the details of the scope of its functioning is given in the statement attached.

(c) At present the interim IRA does not have a Chairman. The two members appointed in the interim IRA are Shri K.C. Mittal, who was working as the Chairman-cum-Managing Director of the Oriental Insurance Co., Ltd. before his appointment in the IRA, and Shri N.M. Govardhan, who was working as the Chief Executive, LIC Mutual Fund. As the recruitment rules etc. for the interim IRA are under the process of finalization, it has been managing its work with the help of some officers taken from LIC and GIC on loan basis.

### STATEMENT

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File No. 17(2)/94-Ins.V

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

INSURANCE DIVISION

New Delhi, the 23rd January, 1996

### RESOLUTION

Whereas for some time past the Government of India has been concerned about the healthy regulation, promotion and orderly growth of the insurance market; and

Whereas Government are satisfied that it is necessary to pass a comprehensive legislation to establish an Insurance Regulatory Authority (IRA) to replace the institution of Controller of Insurance provided under Section 2 (B) of Insurance Act, 1938, and to amend the relevant sections of this Act, Life Insurance Corporation Act, 1956, and the General Insurance Business (Nationalisation) Act, 1972, in so far as they relate to regulation, promotion and orderly growth of the industry; and

Whereas the Government are satisfied that pending the enactment of such a comprehensive legislation it is necessary to constitute and make operational an interim body as a precursor to the proposed statutory Authority, with which the interim body would be ultimately merged, or which it will be converted into when the latter is constituted;

Now therefore the Government of India do hereby constitute the Insurance Regulatory Authority (IRA) under the overall administrative control of the Ministry of Finance.

- (i) The Chairman of IRA will also be appointed as Controller of Insurance (COI) for purposes of Section 2(B) of the Insurance Act, 1938,

and exercise all powers which vest with the COI at present.

- (ii) The interim body will examine which of the powers withdrawn from the Controller of Insurance or modified through Government Notifications, issued from time to time, or delegated to the LIC and the GIC under nationalising enactments of the insurance business, need to be restored to the Controller of Insurance. While undertaking this exercise, the IRA may bear in mind the responsibility of privatisation of insurance industry, wholly or partially and make appropriate recommendations regarding the role and powers which will need to be exercised by the IRA in such a scenario.
- (iii) The interim body will also examine the powers of the Central Government under the Insurance Act, 1938 which can be transferred to the Insurance Regulatory Authority as and when it is set up.
- (iv) The Government can assign such additional non statutory functions as may be considered necessary to the interim IRA to enable it to effectively regulate, promote and ensure the orderly growth of the insurance industry.
- (v) The IRA shall be headed by a Chairman to be appointed by the Central Government.
- (vi) The other Members of the IRA, not exceeding seven in number, of whom not more than three shall serve full time, shall be nominated by the Central Government and shall be from amongst persons having experience and knowledge in life insurance, general insurance, financial, economic, legal and administrative matters.
- (vii) The Chairman and the Members of IRA shall hold office during the pleasure of the Government and shall be governed by such terms and conditions as may be determined by the Government from time to time.
- (viii) The Chairman of the IRA shall have appropriate powers to discharge the functions of the IRA effectively. For this purpose the IRA shall provide itself with suitable supporting staff and raise adequate resources.
- (ix) The Government will provide adequate grants for financing the expenses incurred by the Insurance Regulatory Authority.
- (x) Subject to the overall directions and guidelines of the Government the IRA shall
  - (a) deal with all matters relating to promotion and orderly growth of insurance market;
  - (b) propose comprehensive legislation for the purpose indicated above; and

- (c) carry out such other non-statutory functions as may be delegated to the Authority/Chairman by the Central Government for the purposes indicated in (a) and (b) above.
- (xi) The IRA shall be free to determine its own procedures and will have powers to call for records, returns, notes, memoranda, data or any other material relevant to its working from official and non-official bodies and also hold discussions with them.
- (xii) The IRA will have its headquarter in Delhi and submit periodical reports to Government on various aspects of the insurance companies and on such other specific matters as may be called for by the Government from time to time.

Sd/-  
(C.S.RAO)

Joint Secretary to the Government of India

#### ORDER

ORDERED that a copy of the Resolution be communicated to all concerned.

ORDERED also that the Resolution be published in the Gazette of India for general information.

Sd/-  
(C.S.RAO)

Joint Secretary to the Government of India

#### PAPERS LAID ON THE TABLE

12.01 hrs.

#### **Report of the Comptroller and Auditor General of India for the Year ended 31.3.95 and Record of Account etc.**

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): I beg to lay on the Table -

- 1) A copy each of the following reports (Hindi and English versions) under article 151(1) of the Constitution:-
  - (i) Report of the Comptroller and Auditor General of India-Union Government (No. 1 of 1996)-(Commercial) for the year ended the 31st March, 1995-Review of Accounts.  
[Placed in Library See No. LT-167/96]
  - (ii) Report of the Comptroller and Auditor General of India-Union Government (No. 2 of 1996)-(Commercial) for the year

ended the 31st March, 1995-Comments on Accounts.

[Placed in Library See No. LT-168/96]

- (iii) Report of the Comptroller and Auditor General of India-Union Government (No. 3 of 1996)-(Commercial) for the year ended the 31st March, 1995-Audit Observations.

[Placed in Library See No. LT-169/96]

2. A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:-

- (i) Statement regarding review by the Government of the working of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1994-95.

- (ii) Annual Report of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1994-95, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

3. Statement (Hindi and English) Versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library See No. LT-170/96]

4. A copy each of the following Notifications (Hindi and English versions) under sub-section (6) of Section 3 of the Essential Commodities Act, 1955:-

- i) S.O. 213(E) published in Gazette of India dated the 19th March, 1996 notifying the Shree Industries Limited, Village Rajoda, Tehsil Bavla, Gujarat as a mill producing newsprint
- ii) S.O. 393(E) published in Gazette of India dated the 5th-June, 1996 notifying the Rama Newsprint and Papers Limited, Barbodhan, Tehsil Olpad, Gujarat as a mill producing newsprint.

[Placed in Library See No. LT-171/96]

#### **Report of Comptroller and Auditor General of India Union Government (No. 3 of 1996) for the year 1994-95. (Other Autonomous Bodies)**

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM)

I beg to lay on the Table -

- 1) A copy each of the following Reports (Hindi and English versions) under article 151(1) of the Constitution:-



- (i) Report of the Comptroller and Auditor General of India - Union Government (No.3 of 1996) for the year ended the 31st March, 1995 (Other Autonomous Bodies).

[Placed in Library See No., LT-172/96]

- (ii) Report of the Comptroller and Auditor General of India - Union Government (No.10 of 1996) for the year ended the 31st March, 1995 (Railways).

[Placed in Library See No., LT-173/96]

- (2) A copy of the Appropriation Accounts, Indian Railways for the year 1994-95, Part-II-Detailed Appropriation Accounts (Hindi and English versions).

[Placed in Library See No., LT-174/96]

- (3) A copy of the Block Accounts (including Capital Statements comprising the Loan Accounts), Balance Sheets and Profit and Loss Accounts of the Indian Government, Railways, for the year 1994-95 (Hindi and English versions).

[Placed in Library See No., LT-175/96]

- (4) A copy of the Appropriation Accounts, Indian Railways, for the year 1994-95, Part-I-Review (Hindi and English Versions)

[Placed in Library See No., LT-176/96]

- (5) A copy each of the following Annual Report and Accounts (Hindi and English Versions) of the Regional Rural Banks for the year ended on the 31st March, 1994, together with Auditor's Report thereon:-

- (i) Palamau Kshetriya Gramin Bank, Daltonganj (Bihar)

[Placed in Library See No., LT-177/96]

- (ii) Surat Bharuch Gramin Bank, Bharuch (Gujarat)

[Placed in Library See No., LT-178/96]

- (iii) Bardhaman Gramin Bank, Burdman (West Bengal)

[Placed in Library See No., LT-179/96]

- (iv) Sri Saraswathi Grameena Bank, Adilabad (A.P)

[Placed in Library See No., LT-180/96]

- (v) Varada Grameena Bank, Kumta (Karnataka).

[Placed in Library See No., LT-181/96]

- (6) A copy each of the following Notification (Hindi and English versions) under Section 31 of the Securities and Exchange Board of India Act, 1992:-

- (i) The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996 published in Notification No. S.O. 344(E) in Gazette of India dated the 16th May, 1996.

- (ii) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1996 published in Notification No. S.O. 396(E) in Gazette of India dated the 6th June, 1996.

[Placed in Library See No., LT-182/96]

- (7) A copy of the Coinage (Standard Weight and Remedy of Commemorative Coins of Five Rupees, Containing Copper 75 percent and Nickel 25 percent) coined with the theme "Mother's Health is Child's Health" Rules, 1996 (Hindi and English versions) published in Notification No. G.S.R. 264(E) in Gazette of India dated the 2nd July, 1996 under sub-section (3) of Section 21 of the Coinage Act, 1906.

[Placed in Library See No., LT-183/96]

- (8) A copy of the Life Insurance Corporation of India Class III Employees (Special Allowance for passing Examination) Amendment Rules, 1996 (Hindi and English versions) published in Notification No. G.S.R. 109(E) in Gazette of India dated the 1st March, 1996 under Sub-section (3) of Section 48 of the Life Insurance Corporation Act, 1956.

[Placed in Library See No., LT-184/96]

- (9) A copy each of the following Notifications (Hindi and English versions) under sub-section (4) of Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970:-

- (i) The Syndicate Bank Officer Employees' Acceptance of jobs in Private Sector Concerns after Retirement (Amendment) Regulations, 1994 published in Notification No. 430/S/0089/PD:IRD(O) in Gazette of India dated the 4th March, 1995, together with a corrigendum thereto in Hindi version only published in Notification No. 3439/S/0089/PD:IRD(O) dated the 9th December, 1995.

- (ii) The Dena Bank Officer Employees' Acceptance of jobs in private sector concerns after retirement Amendment Regulations, 1996 published in Notification No. IR/Amend-I 96 in Gazette of India dated the 2nd March, 1996.

- (10) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (9) above.

[Placed in Library See No., LT-185/96]

(11) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:-

- (i) G.S.R. 69(E) published in Gazette of India dated the 29th January, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 13/95-Cus dated the 16th March, 1995.
- (ii) G.S.R. 97(E) published in Gazette of India dated the 16th February, 1996 together with an explanatory memorandum regarding exemption to immucyst (an anti-cancer drug) from the basic and additional duties of customs leviable thereon.
- (iii) G.S.R. 103(E) published in Gazette of India dated the 23rd February, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 86/96-Cus dated the 28th February, 1993.
- (iv) G.S.R. 104(E) published in Gazette of India dated the 23rd February, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 257/92-Cus dated the 12th August, 1992.
- (v) G.S.R. 111(E) published in Gazette of India dated the 4th March, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 85/95-Cus dated the 3rd April, 1995.
- (vi) G.S.R. 145(E) published in Gazette of India dated the 22nd March, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 128/93-Cus dated the 8th June, 1993.
- (vii) G.S.R. 180(E) published in Gazette of India dated the 9th April, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 57-92-Cus dated the 16th March, 1995.
- (viii) G.S.R. 227(E) published in Gazette of India dated the 28th May, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 257/92-Cus dated the 12th August, 1992.
- (ix) G.S.R. 233(E) published in Gazette of India dated the 7th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 187/94-Cus dated the 10th November, 1994.
- (x) G.S.R. 236(E) published in Gazette of India dated the 15th June, 1996 together with

an explanatory memorandum making certain amendments in the Notification No. 128/94-Cus dated the 10th June, 1994

- (xi) G.S.R. 237(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 10/95-Cus dated the 7th March, 1995.
- (xii) G.S.R. 238(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 79/95-Cus dated the 31st March, 1995.
- (xiii) G.S.R. 239(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 80/95-Cus dated the 31st March, 1995.
- (xiv) G.S.R. 240(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 81/95-Cus dated the 31st March, 1995.
- (xv) G.S.R. 241 (E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 106/95-Cus dated the 2nd June, 1995.
- (xvi) G.S.R. 242(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 107/95-Cus dated the 2nd June, 1995.
- (xvii) G.S.R. 243(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 148/95-Cus dated the 19th September, 1995.
- (xviii) G.S.R. 244(E) published in Gazette of India dated the 15th June, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 149/95-Cus dated the 19th September, 1995.

[Placed in Library See No. LT-186/96]

(12) A copy of 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. 110(E) published in Gazette of India dated the 4th March, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 40/95-CE, dated the 16th March, 1995.
- (ii) G.S.R. 131(E) published in Gazette of India dated the 15th March, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 126/94-CE, dated the 2nd September, 1994.
- (iii) G.S.R. 132(E) published in Gazette of India dated the 15th March, 1996 together with an explanatory memorandum specifying the Surat Export Processing Zone at Surat as a "free trade zone".
- (iv) G.S.R. 140(E) published in Gazette of India dated the 20th March, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 48/94-CE, dated the 1st March, 1994.

[Placed in Library See No. LT 187/96]

- (13) A copy of each of the following Annual Reports (Hindi and English versions) under sub-section (8) of section 10 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970:-

- (i) Report on the working and activities of the Indian Bank for the year 1994-95, alongwith Accounts and Auditors Report thereon.
- (ii) Report on the working and activities of the Indian Overseas Bank for the year 1994-95, alongwith Accounts and Auditors' Report thereon.

[Placed in Library See No. LT 188/96]

[Placed in Library See No. LT 189/96]

**Annual Report of the British India Corporation Limited, Kanpur for the year 1994-95 along with Audited Accounts and Comments of CAG etc.**

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): On behalf of Shri R.L. Jalappa, I beg to lay on the Table:-

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of Section 619A of the Companies Act, 1956:-
  - (a) (i) Review by the Government of the working of the British India Corporation Limited, Kanpur, for the year 1994-95.
  - (ii) Annual Report of the British India Corporation Limited, Kanpur, for the year

1994-95, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library See No. LT 190/96]

- (b) (i) Review by the Government of the working of the Handicrafts and Handlooms Export Corporation of India Limited, New Delhi, for the year 1994-95.

(ii) Annual Report of the Handicrafts and Handlooms Exports Corporation of India Limited, New Delhi, for the year 1994-95, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

- (2) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library See No. LT 191/96]

- (3) A copy of the Detailed Demands for Grants (Hindi and English version) of the Ministry of Textiles for the year 1996-97.

[Placed in Library See No. LT 191A/96]

**Annual Report of the Tobacco Board, Guntur and Record by the Government on the Working of the Board for the year 1994-95 etc.**

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): I beg to lay on the Table -

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Tobacco Board, Guntur, for the year 1994-95, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tobacco Board, Guntur, for the year 1994-95.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library See No. LT 192/96]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Institute of Foreign Trade, New Delhi, for the year 1994-95, along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Indian Institute of Foreign Trade, New Delhi, for the year 1994-95.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library See No. LT 193/96]

**The Detailed Demands for Grants of the Ministry of Coal for the year 1996-97.**

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): I beg to lay on the Table a copy of the Detailed Demands for grants (Hindi and English versions) of the Ministry of Coal for the year 1996-97.

[Placed in Library See No. LT 194/96]

**The Detailed Demands for Grants of the Ministry of Parliamentary Affairs for the year 1996-97.**

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S.R. BALASUBRAMONIYAN): I beg to lay on the Table:-

A copy of the Detailed Demands for Grants (Hindi and English versions) of the Ministry of Parliamentary Affairs for the year 1996-97.

[Placed in Library See No. LT 195/96]

12.03 hrs.

**BUSINESS OF THE HOUSE**

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): Sir, with your permission I rise to announce that Government Business during the week commencing Tuesday, the 30th July, 1996 will consist of:-

1. Consideration of any item of Government Business carried over from today's Order Paper
2. Further General Discussion on the Railway Budget for 1996-97.
3. Discussion and Voting on the Demands for Grants (Railways) for 1996-97.
4. Further Discussion on the Statutory Resolutions seeking disapproval of the following Ordinances and further consideration and passing of the Bills replacing these Ordinances:-
  - (a) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Ordinance, 1996.
  - (b) The Building and Other Construction Workers' Welfare Cess Ordinance, 1996
5. Discussion on the Statutory Resolution seeking disapproval of the Constitution (Scheduled Tribes) Order (Amendment) Ordinance, 1996 and consideration and passing of the Constitution (Scheduled Tribes) Order (Amendment) Bill, 1996.

6. Discussion on the Statutory Resolution seeking disapproval of the Employees Provident Funds and Miscellaneous Provisions (Amendment) Ordinance, 1996 and consideration and passing of the Employees Provident Funds and Miscellaneous Provisions (Amendment) Bill, 1993 as passed by Rajya Sabha...*(Interruptions)*

[Translation]

SHRI BANWARI LAL PUROHIT (Nagpur): Mr. Deputy Speaker, Sir, yesterday I had given a notice of breach of privilege. It is a very serious matter.

[English]

MR. DEPUTY-SPEAKER: I am looking into it. I have asked for the papers. But let this item be over.

SHRI P.R. DASMUNSI (Howrah): Before that, Sir, I have raised a point of order. My point of order is under rule 23 of the Rules of Procedure read with Article 86 of the Constitution of India. It may kindly be gone through. This is most important.

Rule 23 of the Rules of Procedure suggests that the message and direction of the President of India will have to be carried out in the House as the Speaker is directed or as the message is conveyed to him and Article 86 of the Constitution says that the President has a right to convey a message and issue directions to the House. Now, the direction was that Shri H.D. Deve Gowda should solicit the mandate of the House within a certain date and Shri H.D. Deve Gowda, after having been sworn in as the Prime Minister sought the mandate of this very House. We also gave our mandate to him in the House, as per the direction of the President. After having been given that mandate he started functioning as Prime Minister. He has taken oath under Article 75 of the Constitution. Now, the Constitutional Bench of the Allahabad High Court on a writ petition filed by somebody...*(Interruptions)*. It is a contempt of the House. It is an insult to the House. It is an insult to the supremacy of the House...*(Interruptions)*

Mr. Deputy-Speaker, Sir, we have all respect for the Judiciary but the Judiciary cannot overstep everyday in the functioning of the legislative process. What is happening? We are being insulted...*(Interruptions)*

In accordance with the provisions of the Constitution the House was summoned by the President of India. The House was summoned for a specific business and that business was to support or reject the selection or election of Shri Atal Behari Vajpayee on the first occasion and Shri H.D. Deve Gowda, on the later occasion. The oath was administered twice by the President of India under Article 75 and the House sat twice accordingly...*(Interruptions)*

MR. DEPUTY-SPEAKER: You have had your say. Let me now listen to the other hon. Members also.

SHRI P.R. DASMUNSI: Mr. Deputy-Speaker, Sir, my only submission is this. Do you also not consider that

this House has a propriety, that this House has some sanctity and that this House has the sanction of the people? We are functioning here simply. If somebody goes to the High Court and the High Court says whatever it likes, is it judicial activism? What is going on in the country? Would Parliament react to what is happening or not?...*(Interruptions)*

SHRI MRUTYUNJAYA NAYAK (Phulbani) : We want to hear the Minister of Parliamentary Affairs...*(Interruptions)*

SHRI A.C. JOS (Idukki) : Sir, this is not a joke. They have crossed the...*(Interruptions)*

MR. DEPUTY-SPEAKER : I have heard your viewpoints. Please listen to me.

SHRI A.C. JOS : Judicial activism has crossed the limits. In the name of judicial activism...*(Interruptions)*

*[Translation]*

MR. DEPUTY SPEAKER : You have had your say. Now let me listen to others also.

*[English]*

You have had your say...

*(Interruptions)*

SHRI SANTOSH MOHAN DEV (Silchar) : Sir, the hon. Minister of Home Affairs is present in the House. The hon. Minister of Parliamentary Affairs is also present in the House. Please let us know their reaction on what Shri P.R. Dasmunsi has raised. The hon. Minister of Parliamentary Affairs has to intervene and tell us what is their reaction to the matter raised by Shri P.R. Dasmunsi...*(Interruptions)*

MR. DEPUTY SPEAKER : Please sit down first

SHRI MRUTYUNJAYA NAYAK : Are you going to allow a discussion?...*(Interruptions)*

MR. DEPUTY-SPEAKER : No. He has had his say.  
*(Interruptions)*

SHRI MRUTYUNJAYA NAYAK : Sir, It is a challenge to Parliament. It is an insult to Parliament.

SHRI BASU DEB ACHARIA (Bankura) : Yes, it is a challenge to Parliament. The Judiciary has crossed its limits...*(Interruptions)* In the same manner, he came with consent of the President and sat there. In the same manner, Shri Deve Gowda came here and sought the mandate. Within six months, he can be elected. This is an insult of the House. What is going on?...*(Interruptions)* What would the people think about it? Are we a bunch of fools?...*(Interruptions)*

MR. DEPUTY-SPEAKER : Let Mr. Vajpayee say something. Please be seated

*[Translation]*

SHRI ATAL BEHARI VAJPAYEE (Lucknow) : Mr. Deputy-Speaker, Sir, my friend Shri Priya Ranjan Dasmunshi has raised a very important question and I want a discussion thereon in the House. There should

be one opinion of the House on this question. But one opinion cannot be formed during the noise...*(Interruption)*. When there is much noise in the House many comments are made outside.

12.11 hrs.

*[MR. SPEAKER in the chair]*

He has raised an important matter and Mr. Speaker, I would like that you should give an opportunity to the Members to speak thereon. Thereafter, you may say whatever you have to say.

*[English]*

MR. SPEAKER : Please speak one by one. Let me understand it.

SHRI P.R. DASMUNSI : Sir, I was on a point of order to which Shri Vajpayee has referred. The point of order is that under Rule 23 or the Rules of Procedure & Conduct of Business in Lok Sabha, any message or direction of the President is to be conveyed to the House. Article 86 of the Constitution of India makes it absolutely clear President of India can convey a message concerning a Bill or otherwise a direction of the House.

Based on that direction, Shri Deve Gowda sought the mandate of the House. In the same manner, Shri Atal Bihari Vajpayee also sought the mandate of the House based on the direction of the respected President of the Republic.

Under your leadership, Mr. Speaker, we deliberated the whole thing in this House and gave the mandate to Shri Deve Gowda as the Prime Minister who is to be elected within six months according to Article 75 of the Constitution of India. In these circumstances, (a) the will of the President was honoured; (b) the supremacy of the Parliament was established; and (c) the mandate of the people has been reflected.

After that, someone went to the Allahabad Constitution Bench and sought a writ to question and summon the Government of India. Is it not ridiculing the Parliament and the jurisdiction of the authority of the President? Is it not overstepping of the judiciary on the Parliamentary function, on the right of the President, on the very ambit of the provision of the Constitution and the procedure? That is important. Hon. Shri Vajpayee has referred that this is a very important matter and must be discussed in the House in order to afford opportunity to other hon. Members to put forth their views.

MR. SPEAKER : I agree with the hon. Member. I agree with the Leader of the Opposition. It is a serious matter. We will have time and opportunity to discuss this matter.

*(Interruptions)*

MR. SPEAKER : It is enough. I have given the final verdict. Now, Shri Dau Dayal Joshi

*(Interruptions)*

MR. SPEAKER : We have agreed.

*(Interruptions)*

MR. SPEAKER : All the political parties have agreed that Zero Hour will be dispensed with. Since it was a very important issue, I have allowed.

*[Translation]*

SHRI JAI PRAKASH AGARWAL (Chandni Chowk) : Mr. Speaker, \*... The relatives of the Chief Minister of the Delhi are indulging in hooliganism\*...*(Interruptions)* Mr. Speaker, Sir, the workers of Bhartiya Janata Part, after referring to the name of the Chief Minister of Delhi, harassed the doctors and nurses of a hospital in Delhi but no action has been taken against them...*(Interruptions)*

*[English]*

What will be the law and order situation of the State?

MR. SPEAKER : No, Mr. Aggarwal, not like this...*(Interruptions)*

*[Translation]*

SHRI JAI PRAKASH AGARWAL : Mr. Speaker, Sir, You have given an opportunity to others, why should you not grant an opportunity to me...*(Interruptions)*

*[English]*

MR. SPEAKER : It will not go on record.

*(Interruptions)\*\**

MR. SPEAKER : Nothing is going on record.

*(Interruptions)*

MR. SPEAKER : It is enough. Please do not raise Party matters here.

Mr. Dasmunshi was not allowed to raise a Party matter. Please do not raise Party matters here.

*[Translation]*

SHRI CHAMAN LAL GUPTA (Udhampur) : Mr. Speaker, Sir, massacre is taking place in Jammu & Kashmir. They have killed sixteen people there. They have taken away their sheep and goats ...*(Interruptions)*

*[English]*

MR. SPEAKER : I have received your notice. I am going into them. I have to get comments from the persons against whom the privilege motion is sought to be moved. After getting the comments, I will decide about it.

*(Interruptions)*

MR. SPEAKER : There will be no end to it. We will have to pass the Vote on Account today.

*(Interruptions)*

*[Translation]*

MR. SPEAKER : No, Mr. Gupta, not in this way.

SHRI CHAMAN LAL GUPTA : Mr. Speaker, Sir, the matter regarding Doda is very important. Only yesterday, sixteen people were killed there. These people were shepherds, they were killed and their sheep and goats taken away. Hon. Home Minister is present here. He talks of holding elections on there. The conditions there are very bad. Mr. Speaker, my submission should be taken seriously. The conditions in Doda are bad for the last six months ...*(Interruptions)*

*[English]*

MR. SPEAKER : Please, that is not the way. You can talk to the Home Minister

*(Interruptions)*

*[Translation]*

SHRI CHAMAN LAL GUPTA : Sir, the question is not of this. The people are being massacred there...*(Interruptions)*

*[English]*

MR. SPEAKER : You have to stay here for five years. Do not spoil your chance to speak in the future.

*(Interruptions)*

MR. SPEAKER : I cannot allow you. It was the decision of all the political parties that there will be no Zero Hour today.

*[Translation]*

VAIDYA DAU DAYAL JOSHI (Kota) : Mr. Speaker, the following items may be included in the next week's agenda:

1. A gas agency was allotted two years ago to a new District of Rajasthan. After the creation of new District, there has been rapid increase in the population of Ara Town. An other gas agency, should therefore be allotted.
2. There has been a ban on new recruitment in post offices for the last twenty years. In spite of new colonies having come up, there has been no increase in the postal staff and consequently the people are not getting their mail in time. Therefore, there should be new recruitment immediately for this purpose so that the mail could be distributed in time.

DR. LAXMINARAYAN PANDEY : (Mandsaur) : Mr. Speaker, Sir, I would like to submit that Coal is not

\* Expunged as ordered by the Chair

\*\* Not recorded

being made available to the C.C.I. run cement factory in Mandsaur district of Madhya Pradesh. Consequently, thousands of factory workers are on the verge of being rendered unemployed. This situation should, therefore be immediately considered. One unit has been closed. The second unit will also close down.

[English]

MR. SPEAKER : What you had submitted was for different purposes. I did not notice. Anyway, it is okay.

SHRI V.M. SUDHEERAN (Alleppey) : Sir, I have also given the notice.

MR. SPEAKER : I do not find your notice regarding Submissions, here.

SHRI V. DHANANJAYA KUMAR (Mangalore) : The following items may be included in the next week's agenda :

1. A detailed discussion about the situation of Power supply in the country and approvals given to various power projects including the Congentrix Ltd.
2. Discussion regarding the situation and conditions of National Highways in the country and the need to construct new National Highways with special reference to Karnataka.

[Translation]

DR. RAMESH CHAND TOMAR (Hapur) : Mr. Speaker, Sir, the following items may be included in next week's agenda :

1. The development works have come to standstill in 28 villages of Ghaziabad district as there are no representatives of the people there. Panchayat elections should be held there soon.
2. Computerised reservation facilities should be provided at Hapur Junction soon.

[English]

SHRI RAJIV PRATAP RUDY (Chhapra) : Mr. Speaker, Sir, the following items may be included in the next week's agenda :

1. Regarding discussion on the dismal performance of the Indian team in the Olympic games at Atlanta.
2. Regarding ISI activities in Nepal and operational bases at the border of Bihar and U.P. posing a national threat.

SHRI G.M. BANATWALLA (Ponnani) : Mr. Speaker, Sir, the following items may be included in the next week's agenda :

1. Need for Constitution (Amendment) Bill to protect the quota for reservations made by several States. The insistence of the Supreme Court that the total quota must not exceed 50 per cent has created a serious situation.
2. The Government should come forward with the proposed Supreme Court (Enlargement of Jurisdiction) Bill, 1996 to enlarge the jurisdiction of the Supreme Court to confer upon it the jurisdiction and powers to decide the Babri Masjid dispute.

[Translation]

SHRI NAND KUMAR SAI (Raigarh) : Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. In view of bumper tomato crop in Patyal, Ladeg etc. villages under Raigarh District of Madhya Pradesh, there is need of setting up of tomato sauce manufacturing units in the Houses of the Scheduled Caste and Scheduled Tribe people and other poor people of these areas by the Central Government.
2. Need to establish immediately a Sangeet University in the universal renown Raigarh for its glorious history of music.

PROF. AJIT KUMAR MEHTA (Samastipur) : Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. Need to develop public transport system creating minimum pollution to meet the requirements of traffic after carefully taking into view the population of the metropolises, pollution level and available resources in the next century.
2. Need to bring forth a Bill to implement soon the recommendations of the Joint Parliamentary Committee constituted under the Chairmanship of Shri A.R. Antulay by former Speaker regarding the salary allowances and other facilities of the sitting as well as former Members of Parliament.

SHRI SHATRUGHAN PRASAD SINGH (Balai) (Bihar) : Mr. Speaker, Sir, the following items may be included in the next week's agenda:

The Central Government should give special grants for the development of tribal areas as Bakhri, Alauli of Begusari district, as also backward areas as Bachhwada, Teghra Cheriavariyarpur and Balai in Bihar.

[English]

MR. SPEAKER : Shri Sudheeran, if the notices received are more than ten, they are balloted.

Unfortunately your name did not come up in the ballot. I am very sorry.

Now the Home Minister to move the motion.

SHRI G.M. BANATWALLA: Sir, the Minister of Parliamentary Affairs is sitting here, he should be considerate enough to say a few words of assurance. These are important issues that we raised here with your premission, and with the luck of getting through in the ballot. The Minister must say a few words.

MR. SPEAKER : Shri BANATWALLA, the normal practice is that these matters go to the Business Advisory Committee.

SHRI G.M. BANATWALLA: The Minister could, at least, say that.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): These normally go to the Business Advisory Committee.

MR. SPEAKER : These are placed before the Business Advisory Committee.

12.25 hrs.

## ELECTION TO COMMITTEE

### Committee on Official Language

[English]

THE MINISTER OF HOME AFFAIRS (SHRI INDRAJIT GUPTA) : I beg to move:

"That in pursuance of sub-section(2) of section 4 of the Official Languages Act, 1963, the members of Lok Sabha do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, one member from among themselves to be a member of the Committee on Official Language *vice* Smt. Ratnamala D. Savanoor resigned from the Committee"....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): I am on a point of order. How can one Member proportionally be elected? I want an explanation from the House. He did suggest that one Member be elected and he believes in proportional representation. I want him to be consistent.

SHRI INDRAJIT GUPTA: How many contestants are there?

SHRI NIRMAL KANTI CHANTTERJEE: I want proportional representation.

MR. SPEAKER: The question is:

"That in pursuance of sub-section(2) of section 4 of the Official Languages Act, 1963,

the members of Lok Sabha do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, one member from among themselves to be a member of the Committee on Official Language *vice* Smt. Ratnamala D. Savanoor resigned from the Committee."

*The motion was adopted*

12.26 hrs.

## BUSINESS ADVISORY COMMITTEE

### Motion Re: Third Report

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): I beg to move:

"That this House do agree with the Third Report of the Business Advisory Committee presented to the House on the 25th July, 1996".

MR. SPEAKER: The question is:

"That this House do agree with the Third Report of the Business Advisory Committee presented to the House on the 25th July, 1996".

*The motion was adopted*

[English]

MR. SPEAKER : Item Nos. 11 and 12 to be taken up together

(Interruptions)

SHRI SONTOSH MOHAN DEV (Silchar): Yesterday it was decided to give two hours time to give amendments on this electoral reforms.

MR. SPEAKER : Yes, it was already on the Bulletin.

(Interruptions)

SHRI SONTOSH MOHAN DEV : But many of the hon. Members have not received the Bill, not even Bulletin was received at the right time. There was delay in serving the same. That is all right. But their request is that it can be extended by one hour more. As it is also coming after sometime, I would request you to accede to that demand.

MR. SPEAKER : Okay. Your demand is accepted. Those hon. Members who are willing to bring amendments to the RPA Bill can do so up to one o'clock.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : There should be a time-frame. We have not recived the Bill but we



have received the amendments on the Bill...*(Interruptions)* amendments given by them.

SHRI V. DHANANJAYA KUMAR : Do you understand that after we receive the Bill, you will give us one hour time because the Bill has not yet come. *(Interruptions)*

MR. SPEAKER : It will come little late. It will come at the fag end of the debate. You will get copies. I am told that the Bill was already circulated.

...*(Interruptions)*

SHRI ANIL BASU (Arambagh) : The House and the hon. Members who were present have got the Bill but the hon. Members who were not present then should get the Bill. That has not been done.

SHRI SONTOSH MOHAN DEV : Not in the morning. It was presumed that everybody was in the House. Anyhow that can be condoned and it can be circulated even now and extend the time by one hour.

MR. SPEAKER : I am told that it was circulated yesterday. Many hon. Members were not present. Yes, it is correct. At this moment, it is available in the Publication Counter. The hon. Members may kindly collect it.

...*(Interruptions)*

SHRI I.D. SWAMI (Karnal) : Some hon. Members have collected it from the counter, but when I contacted they said, no, nothing is available...*(Interruptions)*

MR. SPEAKER : Please make it available. The hon. Members have very little time.

SHRI V. DHANANJAYA KUMAR : It is clear that after we receive it, we will get *(Interruptions)*

MR. SPEAKER : We will get at one o'clock. Otherwise, we will have to print it and circulate it again.

SHRI V. DHANANJAYA KUMAR : It is not yet circulated.

MR. SPEAKER : This is a Bill which has been brought on the basis of consensus reached by all Party

leaders. I do not think that there is much scope for amendments. In spite of that we are giving the right of the hon. Members to be exercised. Therefore, up to one o'clock is enough.

12.29 hrs.

## DEMANDS FOR GRANTS ON ACCOUNT (GENERAL) 1996-97

AND

## DEMANDS FOR EXCESS GRANTS (GENERAL) 1993-94

MR. SPEAKER : Now, Item Nos. 11 and 12 will be taken up together. Yesterday late night we agreed in the BAC that the Vote on Account will be passed without discussion.

Motions moved:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India, on account, for or towards defraying the charges during the year ending on the 31st day of March 1997 in respect of the heads of Demands entered in the second column thereof against Demand Nos. 1 to 26, 28, 29, 31 to 59, 61 to 91, 93, 94 and 96 to 101."

"That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to make good the excess on the respective grants during the year ended 31st day of March 1994, in respect of the following demands entered in the second column thereof: Demand Nos. 14, 33, 57, 61, 65 and 96."

*Demands for Grants on Account (General) for 1996-97 submitted to the vote of the Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand for Grant on Account submitted to the vote of the House (inclusive of the amounts already voted by the Lok Sabha on March 11, 1996)	
		Revenue (Rs)	Capital (Rs)
1	2	3	4
<b>Ministry of Agriculture</b>			
1.	Agriculture	1588.86.00.000	8.22.00.000
2.	Other Services of Dept. of Agri. & Cooperation	106.25.00.000	128.41.00.000
3.	Department of Agricultural Research and Education	266.69.00.000	

1	2	3	4
4.	Department of Animal Husbandry & Dairying	146.58.00.000	55.55.00.000
<b>Ministry of Chemicals &amp; Fertilisers</b>			
5.	Department of Chemicals and Petrochemicals	205.42.00.000	31.00.00.000
6.	Department of Fertilizers	3694.87.00.000	423.00.00.000
<b>Ministry of Civil Aviation &amp; Tourism</b>			
7.	Department of Civil Aviation	59.70.00.000	26.59.00.000
8.	Department of Tourism	48.01.00.000	6.55.00.000
<b>Ministry of Civil Supplies, Consumer Affairs and Public Distribution</b>			
9.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution	54.40.00.000	46.00.000
<b>Ministry of Coal</b>			
10.	Ministry of Coal	92.93.00.000	177.51.00.000
<b>Ministry of Commerce</b>			
11.	Department of Commerce	425.43.00.000	30.50.00.000
12.	Department of Supply	19.78.00.000	
<b>Ministry of Communications</b>			
13.	Department of Posts	1308.14.00.000	34.85.00.000
14.	Department of Telecommunications	6289.79.00.000	4047.49.00.000
<b>Ministry of Defence</b>			
15.	Ministry of Defence	1078.28.00.000	11.84.00.000
16.	Defence Pensions	1649.81.00.000	-
17.	Defence Services - Army	7288.88.00.000	-
18.	Defence Services - Navy	1006.78.00.000	-
19.	Defence Services - Air Force	2028.67.00.000	-
20.	Defence Ordnance Factories	640.02.00.000	-
21.	Capital Outlay on Defence Services	-	4820.38.00.000
<b>Ministry of Environment and Forests</b>			
22.	Ministry of Environment and Forests	272.81.00.000	3.55.00.000
<b>Ministry of External Affairs</b>			
23.	Ministry of External Affairs	638.47.00.000	31.02.00.000
<b>Ministry of Finance</b>			
24.	Department of Economic Affairs	1519.77.00.000	86.58.00.000
25.	Currency, Coinage and Stamps	362.97.00.000	192.66.00.000
26.	Payments to Financial Institutions	1061.98.00.000	1297.87.00.000
28.	Transfers to State and Union Territory Governments	5297.34.00.000	787.50.00.000
29.	Loans to Government Servants etc.	-	148.25.000
31.	Department of Expenditure	2007.14.00.000	-
32.	Pensions	608.58.00.000	-
33.	Audit	223.92.00.000	-
34.	Department of Revenue	105.20.00.000	2.25.00.000
35.	Direct Taxes	235.99.00.000	88.00.00.000
36.	Indirect Taxes	350.97.00.000	135.03.00.000
<b>Ministry of Food</b>			
37.	Ministry of Food	3057.62.00.000	47.34.00.000

1	2	3	4
<b>Ministry of Food Processing Industries</b>			
38.	Ministry of Food Processing Industries	20.28.00.000	5.25.00.000
<b>Ministry of Health &amp; Family Welfare</b>			
39.	Department of Health	625.97.00.000	220.04.00.000
40.	Department of Indian Systems of Medicines & Homoeopathy	220.09.00.000	1.00.000
41.	Department of Family Welfare	975.32.00.000	67.00.000
<b>Ministry of Home Affairs</b>			
42.	Ministry of Home Affairs	142.19.00.000	9.10.00.000
43.	Cabinet	44.90.00.000	7.50.00.000
44.	Police	2019.64.00.000	244.59.00.000
45.	Other Expenditure of the Ministry of Home Affairs	139.23.00.000	117.13.00.000
46.	Transfers to Union Territory Governments	113.70.00.000	116.81.00.000
<b>Ministry of Human Resource Development</b>			
47.	Department of Education	22.39.21.00.000	26.00.000
48.	Department of Youth Affairs & Sports	67.25.00.000	86.00.000
49.	Department of Culture	101.62.00.000	-
50.	Department of Women and Child Development	484.20.00.000	-
<b>Ministry of Industry</b>			
51.	Industrial Development and Industrial Policy & Promotion	246.76.00.000	76.00.000
52.	Department of Public Enterprises	97.00.000	-
53.	Department of Heavy Industry	217.13.00.000	111.36.00.000
54.	Department of Small Scale Industries and Agro & Rural Industries	329.77.00.000	148.29.00.000
<b>Ministry of Information and Broadcasting</b>			
55.	Information Films & Publicity	67.86.00.000	5.92.00.000
56.	Broadcasting Services	709.81.00.000	156.52.00.000
<b>Ministry of Labour</b>			
57.	Ministry of Labour	344.71.00.000	72.00.000
<b>Ministry of Law Justice &amp; Company Affairs</b>			
58.	Law & Justice	272.30.00.000	-
59.	Election Commission	2.98.00.000	-
61.	Department of Company Affairs	8.74.00.000	1.00.000
<b>Ministry of Mines</b>			
62.	Ministry of Mines	112.33.00.000	17.69.00.000
<b>Ministry of Non-Conventional Energy Sources</b>			
63.	Ministry of Non-Conventional Energy Sources	110.29.00.000	57.66.00.000
<b>Ministry of Parliamentary Affairs</b>			
64.	Ministry of Parliamentary Affairs	1.78.00.000	-
<b>Ministry of Personnel, Public Grievances and Pension</b>			
65.	Ministry of Personnel, Public Grievances and Pensions	56.69.00.000	1.45.00.000
<b>Ministry of Petroleum and Natural Gas</b>			
66.	Ministry of Petroleum and Natural Gas	1.81.00.000	-
<b>Ministry of Planning &amp; Programme Implementation</b>			
67.	Planning	52.52.00.000	22.84.00.000

1	2	3	4
68.	Department of Statistics	36.04.00.000	2.70.00.000
69.	Department of Programme Implementation	395.80.00.000	-
<b>Ministry of Power</b>			
70.	Ministry of Power	284.32.00.000	1224.85.00.000
<b>Ministry of Rural Development</b>			
71.	Department of Rural Development	1107.79.00.000	-
72.	Department of Wasteland Development	30.17.00.000	-
73.	Department of Rural Employment & Poverty Alleviation	3218.50.00.000	-
<b>Ministry of Science and Technology</b>			
74.	Department of Science and Technology	224.54.00.000	17.48.00.000
75.	Department of Scientific and Industrial Research	216.74.00.000	3.25.00.000
76.	Department of Biotechnology	46.08.00.000	2.25.00.000
<b>Ministry of Steel</b>			
77.	Ministry of Steel	21.01.00.000	10.10.00.000
<b>Ministry of Surface Transport</b>			
78.	Surface Transport	31.58.00.000	44.80.00.000
79.	Roads	378.31.00.000	601.46.00.000
80.	Ports, LeghtHouses and Shipping	118.30.00.000	132.39.00.000
<b>Ministry of Textiles</b>			
81.	Ministry of Textiles	262.62.00.000	250.96.00.000
<b>Ministry of Urban Affairs and Employment</b>			
82.	Urban Development, Urban Employment and Poverty Alleviation	280.88.00.000	113.06.00.000
83.	Public Works	204.42.00.000	97.47.00.000
84.	Stationery and Printing	74.10.00.000	2.25.00.000
<b>Ministry of Water Resources</b>			
85.	Ministry of Water Resources	228.58.00.000	20.75.00.000
<b>Ministry of Welfare</b>			
86.	Ministry of Welfare	339.97.00.000	92.84.00.000
<b>Department of Atomic Energy</b>			
87.	Atomic Energy	308.44.00.000	300.13.00.000
88.	Nuclear Power Schemes	265.56.00.000	175.12.00.000
<b>Department of Electronics</b>			
89.	Department of Electronics	67.00.00.000	11.10.00.000
<b>Department of Ocean Development</b>			
90.	Department of Ocean Development	30.04.00.000	3.37.00.000
<b>Department of Space</b>			
91.	Department of Space	496.16.00.000	52.73.00.000
<b>The President, Parliament, Union Public Service Commission and Secretariat of the Vice-President</b>			
93.	Rajya Sabha	10.79.00.000	-
94.	Lok Sabha	26.00.00.000	-
96.	Secretariat of the Vice-President	26.00.000	-
<b>Union Territories without Legislature</b>			
97.	Andaman and Nicobar Islands	170.34.00.000	102.08.00.000
98.	Chandigarh	188.72.00.000	26.65.00.000
99.	Dadra and Nagar Haveli	45.98.00.000	10.15.00.000
100.	Daman and Diu	35.04.00.000	7.44.00.000
101.	Lakshadweep	62.52.00.000	7.84.00.000
<b>Total Revenue/Capital</b>		<b>62530.70.00.000</b>	<b>17181.06.00.000</b>

*Demands for Excess Grants (General) for 1993-94  
submitted to the Vote of the Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand submitted to the vote of the House
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**1. EXPENDITURE MET  
FROM REVENUE**

14. Postal Services	16,79,91,247
33. Pensions	6,41,12,316
61. Ministry of Non-Conventional Energy Sources	1,57,430

**2. EXPENDITURE MET  
FROM CAPITAL**

57. Ministry of Labour	4,29,764
65. Planning	9,13,192
96. Dadra and Nagar Haveli	22,477

SHRI SONTOSH MOHAN DEV (Silchar) : We want only one assurance from the hon. Finance Minister. After it is passed, he will go to his Office and release the money for the MPs' Local Area Development. This is the only assurance we want from the hon. Minister and nothing else. Let him say something on this.

MR. SPEAKER : I can assure you that the money is available for this scheme. I have gone through it. It is not necessary for the Finance Minister to release it now. I assure you that it is already there.

I shall now put the Demands for Grants on Account (General) for 1996-97 to vote.

The question is :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India, *on account*, for or towards defraying the charges during the year ending on the 31st day of March, 1997 in respect of the heads of Demands entered in the second column thereof against Demand Nos. 1 to 26, 28, 29, 31 to 59, 61 to 91, 93, 94 and 96 to 101."

*The motion was adopted*

[English]

MR. SPEAKER : I shall now put the Demands for Excess Grants (General) for 1993-94 to vote.

The question is :

"That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the

President out of the Consolidated Fund to India to make good the excess on the respective grants during the year ended 31st day of March, 1994, in respect of the following demands entered in the second column thereof - Demand Nos. 14, 33, 57, 61, 65 and 96."

*The motion was adopted.*

[English]

SHRI S. BANGARAPPA (Shimoga) : Mr. Speaker, Sir, I want to make one submission. The hon. Finance Minister while presenting the Budget proposals for the current year has suggested that there will be enhancement of money in respect of each of the Assembly Constituency. It is at his disposal. Now, I leave everything to the hon. Speaker. It is to be seen whether the ball is in the court of the Speaker or in the court of the Finance Minister. I do not know where exactly the ball lies now. I would like to know from you Mr. Speaker, when are you going to exactly take up the cause of the Members of Parliament.

MR. SPEAKER : The Speaker is also a Member like you. Do not worry.

12.32 hrs.

**Appropriation (Vote on Account)**

**\*No. 2 Bill, 1996**

[English]

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : I beg to move for leave to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1996-97.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1996-97."

*The motion was adopted*

SHRI P. CHIDAMBARAM : I introduce\*\* the Bill  
THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : I beg to move :

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1996-97, be taken into consideration"

\* Introduced and moved with the recommendations of the President.

\*\* Published in the Gazette of India, Extraordinary Part-II Section-II dated 26/7/96

MR. SPEAKER : The question is:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1996-97, be taken into consideration.

*The motion was adopted.*

12.36 hrs.

### APPROPRIATION (NO. 2) BILL, 1996\*

[English]

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): I beg to move for leave to introduce a Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amount spent on certain services during the financial year ended on the 31st day of March 1994 in excess of the amounts granted for those services and for that year.

MR. SPEAKER : The question is:

"That leave be granted to introduce a Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1994 in excess of the amounts granted for those services and for that year."

*The motion was adopted*

SHRI P. CHIDAMBARAM : I Introduce\*\* the Bill

MR. SPEAKER: Now motion for consideration.

SHRI P. CHIDAMBARAM: I beg to move:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1994 in excess of the amounts granted for those services and for that year be taken into consideration."

MR. SPEAKER : The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1994, in excess of the amounts granted for those services and for that year, be taken into consideration."

*The motion was adopted*

\* Published in the Gazette of India, Extra Ordinary Part-II, Section-2 dated 26.7.96

\*\* Introduced and moved with the recommendations of the President

MR. SPEAKER : The House will now take up Clause by Clause consideration of the Bill.

The question is:

"That clause 2 to 4 stand part of the Bill."

*The motion was adopted.*

*Clause 2 to 4 were added to the Bill"*

MR. SPEAKER : The question is:

"That the schedule stands part V of the Bill"

*The motion was adopted.*

*The Schedule was added to the Bill.*

MR. SPEAKER : The question is :

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted*

*Clause 1, the Enacting Formula and the Title were added to the Bill*

SHRI P. CHIDAMBARAM: I beg to move:

"That the Bill be passed."

MR. SPEAKER : The question is:

"That the Bill be passed"

*The motion was adopted*

### CONSERVATION OF FOREIGN EXCHANGE AND PREVENTION OF SMUGGLING ACTIVITIES (AMENDMENT) BILL

[English]

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : Sir, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA) was enacted to provide for preventive detention in certain cases for the purposes of:

(a) Conservation and augmentation of foreign exchange (with reference to foreign Exchange Regulation Act, 1973 or FERA); and

(b) Prevention of smuggling activities and for matters connected therewith.

In recent years, India has been facing a serious problem on smuggling activities at International Airports and Sea Ports. The menace of smuggling has not abetted in any way despite the import of five kilograms of gold and hundred kilograms of silver per passenger allowed by Government on payment of nominal custom duty in convertible foreign exchange. Even though a number of measures under the Customs Act, 1962 have been taken in the past namely adjudication and prosecution proceedings and the provisions for preventive detention under the COFEPOSA Act, 1974, smuggling continues to be a serious problem to our economy.

The COFEPOSA Act provides for two types of cases in which persons engaged in smuggling activities can be detained. The first relates to order of detention issued u/s 3(1) of the Act where in the maximum period of detention is one year. After a person is detained the case is referred within 35 days to the Advisory Board consisting of three High Court Judges for their opinion. If the Advisory Board recommends that the detention is not justified the detenu is released forthwith. In other cases, the detention orders are confirmed within 90 days.

The second type of cases relates to cases of persons engaged in smuggling activities in areas categorised as "highly vulnerable areas" under Section 9 of the Act. These areas include West Coast, South Eastern Coast, Indo-Pakistan Border and Delhi Airport. A residual clause provided the extension of these definitions to other areas. In terms of this provision, the Calcutta Airport was defined as "highly vulnerable area" in December, 1985. Subsequently, Indian Customs waters contiguous to State of Andhra Pradesh and Orissa, Yanam in the U.T. of Pondicherry and the inland area 50 kms. in width from the Coast of India falling within the territories of States of Andhra Pradesh and Orissa and Yanam were also declared as "highly vulnerable areas" in December 1991. If the Competent Authority issues a declaration under Section 9(1) of the Act to the effect that a person is likely to engage in smuggling activities in "highly vulnerable area" the maximum period of detention is increased from one year to two years as per Section 10 of the Act. In such cases, the opinion of the Advisory Board is required to be obtained within six months of detention instead of usual period of three months.

As for the cases of persons detained for violation of FERA provisions, the maximum period of detention is one year. In such cases, provisions of Section 9 will not be applicable.

Past experience shows that the provisions of Section 9 of the Act has been a strong deterrent to smuggling.

It is, therefore, considered necessary to continue the provisions of Section 9 of the Act in respect of detention orders which may be issued even after 31st July, 1996 for a further period of three years.

With these words, I beg to move.

"That the Bill further to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, be taken into consideration."

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, be taken into consideration."

MR. SPEAKER : The time allotted for this Bill is one hour. I have received only one hon. Member's name,

who wants to participate in this Bill. Now, I call upon Shri Ramendra Kumar to speak. Please be brief.

(Interruptions)

[Translation]

SHRI V. DHANANJAYA KUMAR (Mangalore): The names of we two persons are there. We should also get an opportunity.

[English]

MR. SPEAKER : I call upon Shri Bhagwan Shankar Rawat to speak.

(Interruptions)

[Translation]

VAIDYA DAU DAYAL JOSHI (Kota): Mr. Speaker, Sir, before considering this Bill, I would like to draw your attention to a point. Because no notice was taken to whatever we said in the zero hour, the practice of Rule 377 and submissions was started. When this practice was started, a decision to the effect was taken that it would be ensured that the reply is sent to the hon. Members. But it is unfortunate that it is not being done. We give notice of our submissions under Rule 377 but till date no Minister has paid any attention to it, no reply has been sent to us. The spirit behind notices under Rule 377 was that otherwise no attention was paid to the debate and discussion in the House during the zero hour. I would like to submit through you, Sir, that the hon. Ministers of the Central Government should ensure that the reply is sent within seven days to the Members raising matters under Rule 377 and making submissions.

12.43 hrs.

[MR. DEPUTY SPEAKER in the Chair]

Mr. Deputy Speaker, Sir: I would request you to issue guidelines to the hon. Minister to send the replies to the Members who raise matter under Rule 377 and make submissions lest the notices under Rule 377 and submission should befall the same fate as that of the debate under zero hour. I urge upon you, Sir, to issue guidelines to the hon. Ministers and the Minister for Parliamentary Affairs to ensure that the replies are regularly sent.

[English]

SHRI P CHIDAMBARAM: Sir, they cannot interrupt the debate and raise some other issue. The Speaker has called upon the hon. Member to speak on this Bill... (Interruptions) The debate on the Bill has been started... (Interruptions)

[Translation]

DR. SATYANARAYAN JATIA (Ujjan): Mr. Deputy Speaker, Sir, the tradition had been that the replies were sent to the matters raised under Rule 377 by the Ministries concerned but now in spite of wait, no reply

is received to such notices. I would request you to issue direction to the effect that this practice is implemented and the Ministers concerned issue replies to the matters raised so that these matters gain their importance and become meaningful...*(Interruptions)*

SHRI V. DHANANJAYA KUMAR (Mangalore): This is all right, but we are bringing it to your notice...*(Interruptions)*

MR. DEPUTY SPEAKER : Do you intend to speak something regarding Rule 377 ?

*[English]*

SHRI P. CHIDAMBARAM : The conversion is that notice under Rule 377 are sent to the Ministers concerned. The Ministers have to reply to the hon. Member. If any Minister is not replying, we shall certainly ensure that the Ministers reply to the Members under Rule 377.

*[Translation]*

SHRI BHAGWAN SHANKAR RAWAT (Agra) : Mr. Deputy Speaker, Sir, I support the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill 1996 under consideration in the House, but before that I would like to submit something regarding this Bill. There is no use bringing this bill on the Statutory book until the will of the Government to translate this Bill into practice is awakened. Various activities under the economic crimes in the country are continuing. In this context I would like to submit that the situation in this regard is dangerous. These activities can be checked under this Act. At present, smuggling activities have given rise to economic crimes. Because of this, the integrity and unity of the country is in great danger. As the terrorists amass wealth in this way, they feel encouraged to use it in any way they like, be it purchase of R.D.X. or to acquire illegal arms, you might have come to know that recently arms and ammunitions were air-dropped in Purulia. These arms were purchased with illicit money. Arms are being smuggled into the country and then these weapons are being used in the incidents of sabotage whether it is Punjab, Kashmir, Tamil Nadu or North-East. It is necessary to check these incidents. Mere enactment of the law does not suffice. I would like to submit this also that a parallel establishment is being run and economy of the country is being destroyed. Therefore, this law required to be implemented right earnestly but the Government lacks the will to work and in the *absence* of this will to work, the law in vogue for the last so many years is not being changed and the country is facing a danger.

Now, I would like to give some examples. The provisions of this law are being violated and a nexus between the politicians and persons indulging in economic crimes is being formed. The economy of the country is being pushed to the abyss as a result thereof. Urea scam to the tune of Rs. 133 crore was there. In this connection the Directorate of Enforcement observed

that there had been violation of FERA in this case and the matter should be looked into. But CBI is not cooperating and they have not replied the letter addressed to them in this respect. I would like to submit that an attempt is being made to hush up the urea scam under political pressure. Although the Directorate of Enforcement has taken initiative in this respect but in spite of that no action is being taken in the matter. My submission is that they should be extended full opportunity so that all aspects of the case could be examined. It is known to everybody that the accused Shri Prakash Yadav has said in this respect that the whole payment has been made in Dubai through Dharmesh Yadav and Ranjan Bhandari but in spite of this, efforts are being made to protect them. Also, there is an other aspect of urea scam and the law is not being implemented in this regard also when it has been provided that it should be enforced strictly. C.B.I. knew that FERA has been violated in this case. The amount of 38 million dollars given by SBI is a wrong step. But the S.B.I. has not taken active interest in the enquiry into the urea scam, nor has it stopped payments of such type. Until the Finance Minister enforces the law seriously, the entire effort will prove an exercise in futility.

Then there was sugar scandal to the tune of ten hundred crore of rupees. In this four hundred crore of rupees were sent abroad but no foreign exchange was deposited here. No effective action has been taken in this regard. The guilty officers are being protected. If no action is taken within five years remaining for their retirement, they will go scot free. Then, there is the scandal of the disinvestment of shares of the public sector undertakings. The amount therein quantified by P.A.C. comes to eight thousand crore rupees and the amount quantified by C.A.A.G. comes to 2000 crore rupees. In this case also no action has been taken under this law.

Sir, Janata Dal came to power in 1989 and the Bofors Scandal was brought to public notice. Now, my friends of Janata Dal have forgotten Bofors. In this case also, FERA has been violated. Because of political convenience, they are silent on this issue now. Jain Hawala scandal has rendered the political situation of the entire country topsy-turvy. Had the timely action taken under FERA, the things might not have assumed this shape. This scandal has weakened the political fibre of the entire country and all this has happened because of the weakness of the Government.

Sir, recently I have read that a meeting of I.A.S. officers of Uttar Pradesh is going to be held to decide as to who are the three most corrupt officers in the I.A.S. cadre of Uttar Pradesh. An attempt is being made to identify them. These people also earn money illegitimately and keep that in foreign countries. They are in league with the politicians and deposit this money in foreign banks. The ill-effect of this money has been witnessed in the elections also. I would, therefore, like to submit that the Government should awake its will to



work and implement that will effectively. Only then, it would be beneficial. Otherwise, there will be no use enacting one more law and adding that to the Statute book. I would also like to submit that strict measures have to be adopted to deal with the practice of depositing black money in the foreign banks. The Government should take initiative to collect information in this regard. This job can be done through the Reserve Bank of India or the Government can do it themselves. No serious effort has been made in this regard even so many years after independence. Black money is deposited in the foreign banks and this money is then siphoned into India through Hawala deals. This practice should be stopped. A parallel economy is going on in the country.

The Government did take some steps to curb hawala activities but could not achieve the desired results. Therefore, I would like to submit that "vulnerable area" declared by Government in respect of contraband goods has now encompassed the entire country and as such this rule should not be there that in case somebody commits an offence in the "vulnerable area" only then the offence is grave and in case that offence is committed in the remaining part of the country, it loses its gravity. What I want to submit is that the entire country should be considered a vulnerable area and the offenders dealt with severely in all the places. Sir, I am pained on the score that the value of money is depreciating in the country, inflow of foreign goods in the country is increasing although the figures speak otherwise, i.e., in the year 1992-93 contraband goods worth 498 crore rupees were confiscated, in the year 1993-94 they were of the value of 456 crore rupees and in the subsequent years they were still less. I would like to ask why the Government is not adopting strict measures to check this inflow. The coast guards and other concerned institutions should be provided modern amenities in this respect such as equipment, weapons, fast boats etc. so that they are in a position to take action against the smugglers with speed.

I support the Bill with the request that it should not prove a mere formality but the Government should take some hard steps in this respect and adopt some effective measures to break the nexus between the politicians and the criminals. With these words, Sir, I conclude.

**SHRI RAMENDRA KUMAR (Begusarai):** Mr. Deputy Speaker, Sir, I support the Bill. In fact, all those people who love this country and believe in the unity and integrity of this country, support this bill. This bill is very small in appearance, but it is very effective.

**Mr. Deputy Speaker, Sir,** this law is in force in our country for the last twenty-two years. But the question is whether the number of smugglers in our country has increased during these twenty-two years or it has decreased. In my view, their number has increased. The number of people earning money through illegal means has increased. The moot point which we have to ponder

upon is why the tribe of such people is increasing in the country. Mr. Deputy Speaker, Sir, in my view this may be the case of the fence eating the crop, i.e., the concerned officers may be in league with these people. Otherwise, what is the reason that foreign arms and ammunitions are air-dropped in our country clandestinely and till date we have not been able to find out who are the people behind this affair. In case we are unable to find out, this only shows that somewhere there is some wrong in our establishment.

**13.00 hrs.**

If some law is made, and that law is not enforced strictly, then what will be the gain of such law. I, therefore, suggest that whatever law is made by you and for which you have our full support, you should enforce that law strictly and there should not be any discrimination in its implementation.

**Mr. Deputy Speaker, Sir,** in my view the smugglers have a nexus with the society at large as also with the politicians. They are playing a dangerous role in our country's politics. This is why there seems to be some type of wrong somewhere. The smugglers are not being dealt with that severely as they should have been. I would therefore like to urge upon the Government to enforce the laws available to it strictly.

With these words, Sir, I again support this Bill with the hope that the Government will deal with the smugglers strictly.

*[English]*

**SHRI B. K. GADHVI (Banaskantha):** Mr. Deputy Speaker, Sir, technically, this is a very small Bill where only the extension of period is sought. But, Sir, smuggling has become a menace to the country and it is assuming a universal dimension. Various types of smuggling activities are in operation. Formerly it was either silver which was smuggled out of the country or gold which was smuggled into the country. Those were the main commodities which were being smuggled. Since the import of gold, either under the baggage or under special import licences, has increased, for some time, the smuggling of gold had gone down but it has started increasing again. The most alarming feature is the smuggling of RDX, weapons and drugs, which is a great menace. Therefore, I would suggest to the Government that in the area of detention of smugglers or those who are likely to operate in smuggling activities, or in the area of landing agents, there should be two things. Those who are indulging in the smuggling of drugs, arms, RDX, explosives, etc., they should be detained for not less than three years and those operating in the smuggling of other commodities, could be detained as per the Bill. If we do not do that, then the deterrent action we intend to take against the smugglers, would not be effective.

Secondly, I am happy that the Coast Guard is operating well. I also appreciate the activities and alertness of our Customs officers. But the reward system needs to be reviewed. It is good that we give reward to the persons who give information, but the rewards are also being given to the Customs officers. It causes disenchantment among the Customs officers because if some competent officer is placed not on the shore but somewhere else in the country, in central India, where he hardly gets any chance to catch smugglers, then he does not get anything, whereas those officers who are posted on the coastlines and other vulnerable areas, they get rewards. Rewards must be given, but my suggestion is that such rewards should be put in a pool for the welfare of the Customs officers.

They should not be for individual gains. Otherwise there will always be manoeuvres for transfers, and that has got to be checked.

The third thing which I wish to submit is that the Coast Guard who are working efficiently all over have got diverse activities. They have the job of curbing not only smuggling activities but other activities also. I find that as compared with the Coast Guard or other such forces of other developed countries our Coast Guard is a little handicapped in the area of equipment, in the area of transport facilities, on the sea as well as with regard to their fleet - naval fleet and air fleet. So, in these areas also the Government should pay a little more attention and enhance the capability to combat the smuggling menace.

Smuggling has become a universal phenomenon. It is very necessary to curb it. It has got a tendency to affect the entire economy and the social fabric of the country. It generates criminal tendencies in the minds of the people who are residing along the seashore. My friend from the Opposition has rightly asked as to why the Government should demarcate a particular area as vulnerable when the entire country's borders are vulnerable - the border with Nepal, the border with Bangladesh and all others. If such has been the case, why then ask for extension in instalments? These two things, smuggling activities and conservation of foreign exchange, are going to be perennial. Therefore, instead of taking extensions for one or two years, why does the Government not make it permanent so that it need not come to the House time and again?

With these words, I support this Bill. It is a very small Bill. I do not want to take much time of the House. But I hope and trust that the suggestions which I have given will be considered by the Government and something tangible will be done in this regard.

SHRI V. DHANANJAYA KUMAR: Hon. Deputy Speaker, Sir, I rise in support of the provisions contained in this Bill, though the provisions are not fully satisfactory as was being submitted by the Members from the Congress Party that the provision should be made permanent instead of just extending the period for a

further period of three years, that is upto 31st July, 1999. Today all of us know that so much of anti-national activities and disruptive activities are taking place in the whole of the country and day in and day out we are hearing cases wherein the lives and property of the citizens of this country are put to danger. Many innocent people are killed. We have the examples of rioting in Bombay where RDX explosive was used extensively to kill the innocent people. Unfortunately, Sir, we have not been able to book the culprits, even after the lapse of a period of more than three or four years of the occurrence of such a heinous crime.

In the original Act, in the explanation, certain areas which are highly vulnerable for smuggling activities have been identified. I come from Karnataka State. Karnataka has a coast with a length of 300 kilometres.

There have been many number of cases of illegal smuggling of areas into this country through various specific ports and also other port cities along the coast of Karnataka. We have in hand the case of Batkal.

Sir, the other day, an hon. Member of this House had to make a complaint for seeking protection of his life. People who have been successful in illegal smuggling of these kind of weapons and the explosives, like RDX, they are out to create chaos in the country. They are also trying to interfere in the administration of law and order.

Sir, many a time the law and order machinery pleads helplessness. No doubt, we have very many agencies which are supposed to curb these kinds of activities and bring the culprits to book. But the hon. Finance Minister has not been magnanimous enough in providing sufficient funds to strengthen the hands of these agencies, for example, the Coastal Guard. Though the Coastal Guards have been doing a commendable job, they are not armed with sophisticated vessels, the machinery which is required for speedier chasing of the people who would like to get away with the offence. Many a time, none of the Coastal Guards are able to catch hold of these offenders.

Likewise, other areas of the Government also need to be strengthened. It is not sufficient to say that we would extend the period mentioned in this particular Section so that in cases where any preventive detention order that would be passed even a day prior to 31st July, 1999, the detention could be continued for the specified period without getting the opinion of the Advisory Board. I would say that this should be a permanent feature in the Act. I would like to know from the Government whether it is satisfied that this kind of violations and smuggling menace would come under control by the year 1999 so that there may not be any necessity to come up with another amendment seeking further extension of the specified time. Why should this provision not be made a permanent provision? Probably, what is circling in the mind of the hon. Minister is that there may be instances where this particular provision

may be misused politically or out of vengeance to keep somebody behind the bars. There is a risk of interfering with the personal liberty of an individual because he will be made to be behind the bars for quite a long time without getting the advice of the Advisory Board and without giving him an opportunity to say what he has to say. I would suggest the Government to think of an alternative machinery and in all such cases, a review could also be provided.

The highest authority can undertake such as exercise of review from time to time. But we need not take the opinion of the Advisory Board in all such cases within the time stipulated in the provisions of the Act.

*SHRIMATI GEETA MUKHERJEE in the Chair*

Many times, it is said that prevention is better than cure. So, we will have to take the strongest possible measures to prevent the recurrence of such offences, and a fear psychosis should be developed. I would say, in the sick minds of such people who are out to destroy the democratic polity of this country. Now, India is not the only exception. The world over, we have similar kinds of problems, and the entire community in the world is really worried about this. We know, how even the Heads of State had to face the wrath of such people, who make use of the illegal weapons which smuggled into the countries by means of smuggling, and then in disrupting the peaceful living in the world. So, India should, at least, stand up and should take the lead. We should be in a position to curb permanently such activities. We should take a determination today that in our country we would not allow such kinds of activities to be carried on, and we would never tolerate the attack that would be made by such people making use of the illegal weapons which are smuggled into the country.

I would also suggest that the Government should undertake an exercise to make a survey, an assessment, specially in the areas which are mentioned in the explanation to this section, as to what are the possibilities of existence of such arms and deadly weapons including the explosives like the RDX. It has been mentioned in the Statement of Objects and Reasons itself that we have the cases of smuggling of deadly RDX explosives and even the arms dropping cases in our country. Unfortunately, the law and order machinery has not been able to identify the culprits and get hold of them and punish them through the process of law. So, now, we will have to become alert, we will have to make an assessment, we will have to go in search of such people, specially in such areas which are more prone to such kinds of activities.

Today, with the development of modern technology, we cannot feel comfortable by saying that only certain areas are prone to such kinds of activities. The arms and the deadly explosives that are smuggled into the country through a particular port city or the coastal areas can reach any other part of the country within the shortest possible time.

Every year, during the special occasions like the Independence Day and on other solemn occasions, we do take precautions. Even in the capital city of Delhi there is a possibility of some attack from some corner, and during that time we become alert.

During that time we become alert and then we go in search of people who are capable of creating such kind of problems.

I am fully aware that Government is having a regular list which is being maintained by people who are known to have such antecedents. Why not the Government take action sufficiently in advance to review the whole list and then take preventive measures? The movements and activities of the people who are supposed to be suspect must be closely watched. The particular provision is meant, according to me for such cases. If the Government really acts as required by the provisions of this law, then it may not be difficult for the Government to identify such cases who are those people who are likely to indulge in such kind of activities and they could be brought to book and the occurrence or recurrence of such activities could be prevented well in advance.

Let the hon. Minister think about this matter again and let the provision be made a permanent feature in the Act so that the fear that is likely to be developed in the mind of such people would be removed for ever and they would be deterred from indulging in such kind of activities.

With these words, I again extend my support to the provisions of this Bill.

*[Translation]*

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Madam Chairperson, the very name of this bill is Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill, 1996. The spirit of this Bill is to conserve the foreign exchange and to prevent the smuggling activities radically. As the hon. Members speaking previous to me have observed that you have constituted an Advisory Board, and you want to extend the provision of the Bill by three years, i.e. upto 1999. I have submitted an amendment which will be taken up later. The advisory board has been constituted and it must be ensured that smuggling is checked in the interest of the country.

An amendment to this Bill was brought two years ago. At that time also, I got an opportunity to oppose it. It is not proper and it does not behove the Parliament to bring an amendment time and again and extend the provision of the Bill. It is the United Front Government now. Previously they had been opposing such amendments. But now when it is their Government, then why are they bringing such amendments. You want to enter the twenty-first century. Therefore, the Government should not bring such amendments time after time.

Madam, because our former Civil Aviation Minister has welcomed the Bill, I too welcome it. But I would like to submit that it has not achieved the desired result in the country; it has increased the political criminalisation. You will kindly excuse me. I don't remember as to which party you belong but there are many Congree Members of Parliament who are involved in smuggling. I can't reveal their names here, but Madam, if you so like I can give their names to you personally. They indulge in smuggling and also fight elections. Fortunately, our Laxminarayan Pandey Sahib is present here. His area is adjacent to my area. There, smuggling goes on in Mandsaur, Jhalawar and Chittor. Last time also there was smuggling to the tune of twelve thousand crore of rupees. I would like to submit here that in this matter no cooperation is coming forth from C.B.I. Anti-smuggling efforts are not very effective there. The reason is that the Inspector posted in Mandsaur, Jhalawar and Chittor becomes prosperous himself and makes others also prosperous because he makes much money from the smuggling going on there. As no transfer takes place in Customs and Excise Departments, in C.B.I. also, transfer is difficult. Strong measures are required to be adopted there.

The Government has said that gold and silver can be brought here openly from abroad to check blackmarketing in these two items in the country. In my view, in spite of this exemption, you confiscated gold worth 502 crore of rupees in 1992\* and in 1990-91, it was of the value of Rs. 474 crore. Therefore, if you want to say that the exemption can stop the smuggling of gold and other things into the country, you are wrong. In this country, other items will also be smuggled. Madam, I have to make an other submission also. In this country, if a farmer engages himself in opium cultivation, he is sentenced for ten years and if some smuggler is apprehended, he is sentenced for two years. This is very strange that if a farmer starts opium cultivation, he is sentenced for ten years while the smuggler has a field day in the jail. As a matter of fact, what happens is that he lives in his own House, he sleeps there, goes to see movies, and in jail also, he is allotted a good room, he witnesses television, listens to news, reads newspapers and after having best of the time, returns home after two years. Now, if there is anybody indulging in smuggling in the United Front Government, you just keep the provision of two years. And our Prime Minister also is great admirer of farmers. He says that his Government is pro-farmers. You should extend benefit to the farmers and increase the period of sentence for smuggling.

I am not in favour of smugglers as they are enemies of the country. They have become members of the mafia group. They indulge in smuggling of "hero" and heroin....(Interruptions) What I mean to say is that they indulge in smuggling of arms and ammunition as also of heroin. They should be awarded more sentence. Pakistan border is adjacent to our country as also the

border of Nepal and occupied Kashmir. They enter our country and supply arms and ammunition here. The Kashmir problem is still there, camps are being established to impart training to the terrorists and there are intrusions into Indian territory daily. The Government should pay attention towards all these matters.

Madam, I had submitted last time that six persons from my constituency Jaipur and some persons from Allahabad had gone to Jammu & Kashmir as tourists. After the "darshan" of Vaishno Devi, they went to stay at a hotel. At the hotel they were approached by a person who asked them about the places they had visited and added that if they had not seen the lake, they had seen nothing. He further added that there was peace over there those days and thus enticed them away to the lake. These tourists even told that they had no money with them but they were given five thousand rupees and taken to see the lake. When the tourists reached there, they were asked the religion they belonged to. When they told that they were Hindus, they were told that a statue would be placed before them and they have to make it move. When they told that the statues do not move, they were asked as to why they believe in God and why did they go to Ayodhya for the sake of Rama. Why did they raise a storm there and destroyed Babri Mosque. And after saying all this, all of these six persons, including a student of Rajasthan College and an M.R., were brutally murdered and their corpses thrown into the river. This is the situation prevailing over there. The Home Minister makes a statement that nobody should go there for excursion. When Kashmir is our integral part and you are coming out with an economic package for Kashmir and declare elections for that State. This shows that peace has been established everywhere there. Then what wrong was there if some boys of poor family went there. These boys were of the "Mian" caste. I have visited their home and got the statement with me. Just one reading of the statement will make you weep. They have left behind two little girls. Madam, in my view, this is all because of smuggling. If you want to ensure that there is no danger to the security of the country, you have to deal with the smugglers with strictness. What I want to submit is that the farmer engaging himself in the opium cultivation is not getting remunerative price in the country while he gets very good price in the international market. Marijuana, hashish and opium are being smuggled through the borders of Rajasthan, Madhya Pradesh, Nepal and Kashmir. The youth are being imparted training and sent into the country with the lethal weapons. This is jeopardising the security of the country. If you extent it only by three years, do not seek advise from the advisory board and do not make this law a permanent one, then there will be no use of this law.

What I mean is that whatever concessions you are extending to smugglers, you should instead give those concessions to the farmers. If the opium market is fully made available in the country and remunerative price is

given to the farmers, then in my view the persons coming from Pakistan for purchasing opium here will find no opium. Opium is used in medicines also. You must have seen that small doses of smack are available these days and the youth of the country are addicted to smack. Shri Santoshji may be in the know of it. Young people drive their vehicles under the intoxication of smack...*(Interruptions)* I did not say about you. What I said is that you may be in the know of it. Kindly excuse me, you are my leader. If I have said something, I seek your pardon.

My submission is that in this way the youth of the country have gone adrift. You should make efforts to put them on the right path. I would like the Government to conduct a survey as to the quantity of arms and ammunitions smuggled into the country, the number of smugglers apprehended and the number incarcerated. The smuggling of arms into the country has put the security of the country in jeopardy. I would, therefore, submit to the hon. Minister that extending the period by three years will not suffice. On the other hand the law should be enforced strictly and the two years sentence to the smugglers and ten years to the farmers being awarded at present should be reversed. The smugglers should get more punishment and should not be given any facilities in the jail. They get facilities because they donate money to the Congress party and also become the candidates of the Congress Party. When it gets money in this way, the Congress Party thinks that let the country go to hell. One who does not care for the country, one who does not care for Mother India...*(Interruptions)* I think, only the Congress party people say that they have nothing with them ...*(Interruptions)*. They have nothing to do with the smugglers, they have not seen even their face...*(Interruptions)* I am not saying about you. You have been returned as an hon. Member of Parliament...*(Interruptions)* you will raise the question of privilege ...*(Interruptions)* I am resuming silence, otherwise there may be a question of privilege. I can say a little bit to the hon. Member. I submit that in the interest of the country, the smugglers should be awarded more sentence, and remunerative price paid to farmers producing opium in the country. The spirit behind the Bill is commendable but I am not in favour of the Government's tendency to come to the House repeatedly for seeking extension for two or three years. I definitely support the spirit behind this Bill. But the farmers should get benefits in the country, smuggling should be curbed, entry of weapons from abroad should be checked, the country guarded against Pakistan and the borders of our country guarded properly. The interest of the country is supreme, and not the smuggling ...*(Interruptions)*.

Madam, you gave me an opportunity to speak, some hon. Members listened to me attentively and some tried to disturb me. I excuse them for that, and conclude.

SHRI SYED MASUDAL HOSSAIN (Murshidabad): I may tell for your information that the largest opium cultivation is in the area of Laxminarayan Pandeyji and

the largest number of smuggled diamonds find their way to Jaipur.

*[English]*

SHRI PINAKI MISHRA (Puri): Madam Chairperson, I rise in support of the Bill proposed by the hon. Finance Minister albeit somewhat reluctantly and with a great sense of reservation.

The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act has been in effect since 1974 and over a period of time this House has seen some amendments, some extensions to the said Act. It is regrettable that the hon. Finance Minister had to state in his very preamble that despite the Act being in effect for so long, despite several measures taken by the Government of India from time to time to attempt to curb smuggling, it has met with little success. And yet we come back before this House once more to extend the provisions of Section 9 for a further period of three years I think some introspection is necessary by the hon. Finance Minister.

We have some fresh blood in the Finance Ministry. It is very heartening that the hon. Finance Minister is an eminent lawyer in his own right and is therefore well qualified to take a closer look to apply his mind and to get informed opinion from not only the Ministry, but other sections of this House as well to see how and where we have failed in the application of the provisions of COFEPOSA, either in it not having enough teeth or in it not having been efficaciously implemented them in the past which has resulted in the unabated rise of smuggling as well as the unabated squandering and parking of our foreign exchange reserves abroad.

The very spirit of COFEPOSA which is a preventive detention law is repugnant to the rule of law as embellished in the Indian Constitution which is the *sine qua non* of our democratic society.

All preventive detention laws in this country have been frowned upon. We have memories of MISA and other preventive detention laws which have, from time to time, been promulgated. They have been frowned upon by all the informed sections of the society.

This is a preventive detention law relating to economic offences, which has however been universally regarded as a salutary piece of legislation. It has been universally commended and supported whenever it has been raised in this House. The hon. Minister of Finance is right in saying and other hon. Members have shared his opinion - that the provisions of COFEPOSA have been enacted as a piece of deterrent. It has, for some time, proved to be a strong deterrent. However, in the liberalised atmosphere, which we have ushered into this country since 1991, provisions such as COFEPOSA, perhaps, are anomalous. This is why we have seen a rapid decline in the number of detention orders passed under COFEPOSA in the past three to four years. It is

quite clear that the *raison de etre* of this piece of legislation has not lived up to its desired impact. Therefore, we have to take a closer look at the mindless extension of Section 9 for a further period of three years to one or two more selected areas. We need to look not only at the area of operation as envisaged under Section 9 but also at the nature of the goods sought to be dealt with and the nature of offenders sought to be dealt with and such other issues. And for that, while I support this Bill, I would earnestly beseech the hon. Minister of Finance to kindly bring out a comprehensive piece of legislation at some future date, which would meet the changing demands of our times.

From 1974 to 1996, a lot of water has flown India has changed beyond measure. Since 1990-91, in the era of liberalisation, we are no longer in the closed economic society that we were during the 1970s and the 1980s. Consequently, I feel that a closer look at COFEPOSA should be taken by all concerned on the following lines.

In my experience as a lawyer who has dealt with COFEPOSA cases from the time I started practising, I have to my credit several quashings of important COFEPOSA orders. Therefore, sitting on the other side of the fence, as lawyer, I happen to realise the kind of lacunae that this piece of legislation suffers from. As a Member of this August House I feel that it is my duty to point the same out and to implore that enough diligent attention should be paid to plug the same. Over the years, if statistics are looked at, that is if you look at the number of COFEPOSA detention orders passed and the nature and characteristics of detainees, you would find that - I am sure the hon. Minister of Finance would bear me out - it is normally the carriers who are caught in the net. The big fish are seldom caught in the net. As we see in the films, the big fish stay in their plush residences. From their drawing rooms, with sophisticated gadgets, they monitor the process of smuggling and it is really the poor carriers who are caught either at the airports or at the ports, due to the efforts of some intelligence network. It is normally the carriers who are caught.

These carriers work for a pittance. The carriers, in most cases, are paid no more than a fraction of the profits. At times, it is .5 per cent. or .75 per cent. It never goes beyond one per cent. They actually operate for the airline ticket plus. Their actual expenses which would be Rs. 2,000 to 3,000 and a reward of Rs. 5,000, Rs. 10,000 or Rs. 15,000 where the entire cache, which is sought to be smuggled, is in excess of Rs. 50 lakh, Rs. 1 crore or Rs. 5 crore and the profits are extraordinarily high. Even if these caches are caught, if the carriers keep quiet, the owners or the financiers are able to write off their losses and carry on. They do not mind losing one or two caches because they are in a position to earn such extraordinary profits that they can carry on their activities in future even if they lose a cache or two. Therefore, in my opinion, if COFEPOSA orders are going

to be passed on poor people, who are carriers, while the actual financiers and the big offenders go scot free, it loses its efficacy. That is what has unfortunately been happening.

The carriers never open their mouths during interrogation. They know that if they go in for three months, four months, five months or six months before the Advisory Board quashes their detention order, the financiers will look after their families. And when they come out of jail, they are well looked after and given a little supplemental kind of reward for having kept quiet. Therefore, we have to make certain salutary principles and provisions in the law which will distinguish and differentiate between the actual offenders, which is the principal class of offenders, who are the financiers and the big fish and the poor carriers who are doing this really to earn a two-square meals a day and to somehow ske out a living.

He does not like doing it but because there is rampant unemployment, he finds that this gives him some quick money. Therefore, he falls a pray for this kind of petty rewards. For that, I would recommend to the hon. Minister that while for carriers, there could be two strikes and you are out kind of law, as we have in California now the three-strikes out law, under COFEPOSA, we could have two strikes out. In the first instance, while the carrier goes in for a year under section 3 or for two years under section 9, it should be made clear that in the event he is caught second time around, it would be far more stringent. He would go in for two years under section 3 and probably for four years under section 9. That would be a deterrent measure for carriers.

As far as the principal classes of sponsors and big offenders are concerned, it is found how they are really the ongoing offenders. I humbly submit that section 3, which envisages one year and section 9 which, at the moment, has two years, detention it is simply inadequate. In my opinion, two strikes out for the carrier should apply for the first strike or the first offence, by the big offenders and section 3 and section 9 should be modified accordingly. It should at least be two years in the case of section 3 and three years in the case of section 9 which would ensure that there is a certain amount of salutary deterrence involved because otherwise section 3 detention order for one year is normally quashed within the first three or four months by the Advisory Board.

I will come to that just in a moment as to why it is done. Even the big offenders have no real fear. My learned friend from the BJP did not understand the concept of preventive detention because while we once go under COFEPOSA, under preventive detention, you will simultaneously face prosecution and there the sentence is liable to be ten years or more. Therefore, when he said that for Ganja while farmers are facing a sentence of ten years, for smuggling, they are facing sentence of two years, this is not quite correct. This is a preventive

sentence. The effective sentence is likely to be much more. But unfortunately because of the dilatory system of courts, the prosecution takes very long and on that account, preventive detention is really a salutary measure.

Therefore, my first suggestion is that we should classify the offenders and ensure that the big fish gets segregated from the small fish and for the big fish, COFEPOSA should act as a salutary deterrent.

The second suggestion I would like to make to the hon. Minister which has been made by some of my friends in the House including Shri Gadgvi, is that in the post-terrorism era in India, the kinds of goods which are being smuggled in are no longer any gold, silver, bullion, and foreign currency. The nature of smuggling now encompasses RDX and deadly weapons. Therefore, there should be different provisions for the nature of goods being smuggled. While white-collar crimes envisaging gold or such like commodities may be dealt with as one class, certainly RDX and deadly weapons and such like commodities which are being smuggled in on a daily basis should be dealt with entirely separately. There should be far more stringent punishment. Again, one year under Section 3 and two years under Section 9 is simply inadequate for this. Therefore, this second suggestion may be looked into that with the nature of the goods being smuggled, the nature of the punishment being meted out should be concomitant.

My third suggestion is, the catena of cases of COFEPOSA over the past years has shown that detention orders are being quashed on bizarre and flimsy grounds. I say so advisedly. What are the grounds? It is a technical law, a hyper-technical law, actually. The grounds are sometimes as bizarre, as absurd as illegible copy is being given to detainees as representation not having been considered at the earliest possible opportunity. According to me the legislation which should be forthcoming now it should ensure that we should distinguish between procedural grounds of quashing and substantive grounds. As far as the procedural grounds are concerned, we should build in safeguards in the Act and the Rules read thereunder which should ensure that in the event, for instance, scrutiny of documents is required by the detainee or his lawyer, that should be allowed on request. What happens nowadays is lawyers do not even request for documents but simply because the Department is overworked. They are not in a position to give all the documents. Sometimes even if one document is left out that is a ground enough for quashing. Therefore, these kinds of procedural and technical grounds should be ruled out by legislation so that the courts then do not pass one page orders which sometimes simply say that in terms of the well laid down law, the documents supplied to the detainee are illegible and, therefore, the order is quashed. This does not make any sense. After all a lot of effort has gone on the part of the Department. In apprehending these

culprits, and if the offenders are going to be left scot-free on simple technical and procedural formalities, in my opinion, the *raison d'être* of the piece of legislation is lost. Therefore, the substantive grounds of detention should be set apart. Those should be grounds on which the courts can quash detention orders but not the procedural grounds. It should be built into the legislation itself to ensure that courts then do not have the discretion to look into these aspects.

The fourth suggestion I have in this regard is, again it is the big fish who often find out about the COFEPOSA orders which are in the offing.

I will take two more minutes, Madam, Chairperson. I know you are looking a little impatient. I am making some substantive suggestions which would probably go to strengthen the piece of legislation.

MR. CHAIRMAN: Undoubtedly. That is why I did not stop you, but you are going too far as far the time limit is concerned.

SHRI PINAKI MISHRA: I will take just another two minutes.

The fourth point I wish to make is that the rich offenders often find out in advance that the COFEPOSA orders are being passed against them. They go underground, various stay orders are obtained from various High Courts. In fact a particular stay orders are obtained from various High Courts. In fact, a particular High Court, Madam, Chairperson, you would be well aware, was well-known as a stay court because any detention order passed anywhere in the country would go to that High Court and would be stayed automatically. Therefore, I suggest that the provisions of a law like SAFEMA which is again a piece of legislation which is extremely deterrent, which provides of the automatic confiscation of property of a detainee who is absconding, should be given more teeth. It should be applied far more rigorously to ensure that COFEPOSA detainees are immediately apprehended. If they stand to lose their properties which are built from this ill-gotten wealth then they are likely to surface much faster.

I wish to raise one last point. Unfortunately, the hon. Finance Minister is not consensus ad idem with me on this ground. I heard him on television the other night that he has no belief in Amnesty scheme and that he does not believe that these schemes would bring much good to the country.

SHRI P. CHIDAMBARAM: I am against converting black money into white money.

SHRI PINAKI MISHRA: Precisely. On that score I beg to disagree with the hon. Finance Minister with the greatest respect because in the event that provision is incorporated in a legislation like COFEPOSA, and in the event of clean breast made by the offender, the sentence can be reduced. In the event the offender decides to speak the truth, decides to make a bold and frank disclosure about either the properties or the assets



held, or properties and assets gotten from the ill-gotten wealth, there should be a Scrutiny Committee, which is at the moment a very hazy one. That Scrutiny Committee should be made more transparent. That Committee should be within its rights to have a fresh look at the detention order, and the detainees who get the sentences of two or three years, if they feel better to part with the loot rather than spend time in jail. I hope that would help to augment the Government resources and in my opinion bring down crimes also.

I thank you for the opportunity given to me. I hope the hon. Finance Minister will take into account these points raised by me in this House and ensure that some of them can be incorporated in some future piece of legislation.

SHRI P. CHIDAMBARAM: Thank you, Madam. I am grateful to the hon. Members for the support they have extended to the Bill. The amending Bill is a very short piece of legislation. All that we intend to do is to continue a provision which is there in the Statute to detain a person for an extended period without going to the Advisory Board; to extend the period by obtaining the opinion of the Advisory Board; and for an extended period for detention. There are, of course, two views. One view is that why do you not make it a permanent feature of the Statute and the second view, as expressed by Shri Girdhari Lal Bhargava, is that why do you extend it for three years; it should be extended for two years. So there are always two views on a matter like this. But please let us remember that a law on preventive detention is an exceptional law, which is sustained only under article 22 of the Constitution. It is a preventive detention law and therefore must be very narrowly and tightly framed and it must be exceptional in dealing with the exceptional situation. Otherwise, the law will be struck down by the courts. One of the reasons why we have not declared the whole country as highly vulnerable is that that would appear to be a mindless extension of a narrow law to the whole country. That is why we have carefully defined the highly vulnerable area and we have to include only areas which are really highly vulnerable. Besides, we cannot keep such a law permanently on the Statute Book. It is not our intention to have law of permanent detention on the Statute Book. These laws can be brooked only for a short period of time and should be periodically reviewed so that if the situation improves, we can certainly take these laws out of the Statute Book.

We have had this particular legislation since 1984, we have extended it for three years at a time and therefore, I have come to this House to seek an extension for another period of three years.

A number of important questions were raised, particularly by the last speaker. I wish to respond to them very very briefly because there is another Bill which I would like to be passed today.

Madam, what does this Bill aim at? This Bill aims at smuggling. This Bill was placed in the Statute Book at a time when the economy was a fairly a closed economy. We were not allowing goods to come in. We did not have any kind of convertibility of the rupee.

14.00 hrs.

Therefore, at that time, conservation of foreign exchange and prevention of smuggling were viewed in a particular light. Now, I have tried to collect a list of goods which are smuggled or sought to be smuggled by persons against whom this Act is aimed. What do we find? What we find is gold, silver, electronic goods, and foreign currency. Those who deal with compensatory payments in foreign currency, they smuggle foreign currency. These are one set of offenders.

The second set of offenders are those who abuse the import-export policy, particularly, the duty free licenses like VABAL and QBAL. What is the thrust of my argument? The thrust of my argument is that all these are in same manner related to the fact that we have quantitative restrictions on goods. Suppose we allow gold to be imported freely into this country, then nobody will smuggle gold. We made a beginning. We allowed passengers to bring in it. People who were out of the country for six months, we allowed gold to be imported through the special import licence route. This has brought down gold smuggling almost by one-half. The demand in India for gold has been estimated to be about 450 tonnes annually. I cannot change the cultural and social behaviour and habits of our people. Now, almost one-half of it comes through legitimate channels. Earlier nothing came through legitimate channels and everything was smuggled. Today almost one-half comes through legitimate channels and the other half, I am sure, comes through smuggling. But I am confident that there will be one day when we would be strong enough to say like most countries in the world, that any one who wants to bring gold can bring gold. That day gold smuggling will stop. That day silver smuggling will stop. As we remove quantitative restrictions and as we tariffify all our imports, you can have a high tariff rate for luxury goods which is called SIN TAX. But as we remove quantitative restrictions and open up our economy, smuggling will come down. That day we may not need a law of this nature.

There are another set of violators who arbitrage on currencies. It is because there are exchange rate fluctuations. There is a profitable business in arbitraging on currency fluctuations. That kind of people will always remain. They will also go the day Indian economy is strong enough to make the rupee convertible on the Capital Account. That day is not today or tomorrow, maybe, it is five years down the road. But thanks to Current Account convertibility, much of the violations of foreign exchange transactions have come down. It is because, today, people can take foreign exchange for travel; they can take foreign exchange for education;



they can take foreign exchange for medical expenses; and they can take foreign exchange for business purposes. So, many offences relating to foreign exchange have come down.

The third category are people who are motivated by greed. We give people duty free licenses. We give them VABAL. We give them QBAL. Yet, they want to make big money in double-quick time. Therefore, they abuse these privileges and indulge in foreign exchange violations. They have to be punished and they are being punished. It is because our economy is partly open, we still need to conserve foreign exchange, and we still have quantitative restrictions on many items because there is still smuggling on these items. We have to have a law of this kind. But I do not envisage this law to be a permanent law. Five years or ten years down the road, I am sure, the economy would be fully opened. Therefore we do not need to keep these QBALs and VABAL. They will become things of the past.

There are other smugglings which take place in arms, drugs and so on. That has to be dealt with by separate laws. But I think the present amendment seeking extension of three years is adequate and will take care of the present situation. I am not happy with the way the courts and Advisory Boards are dealing with detention orders. I agree with my learned friend. The orders are being struck down on what appears to be trifling grounds.

But then the fault is ours. Why do we make orders which can be struck down on specific grounds? If the order is struck down on the ground that you gave an illegible copy, then the fault is of the officer who gave the illegible copy. In a day when photocopying has become very advanced why should we give illegible copies?

There are other tricks to which these people resort to. Somebody comes and thrusts a petition in my hand and I collect half a dozen petitions then I go. But this petition could be by the wife of a detainee and if this petition running into hundred pages is in a language other than English or Hindi and it has to be translated then you take about two to three weeks to translate this petition. Then the Advisory Board is likely to strike it down by saying that you took longer to deal with the petition.

There are problems. We go one step ahead of the smuggler but the smuggler is one step ahead of us because he is smart enough to find loopholes in the system. We are trying to plug it. I intend to review this whole matter. I am not happy with the percentage of orders which has been struck down.

I find that the courts, tribunal and Advisory Boards are striking down almost 60 to 65 per cent of the orders which are made, which is one of the reasons why more orders are made because then everybody wants to show that his department is very active. So, I think, we need to take a look at these matters. For the time being I

would urge the hon. Members to support these amendments and pass this Bill. I will review the matter. I will try to see what we can do to tighten the provisions to act against smugglers.

SHRI V. DHANANJAYA KUMAR: Sir, what about the preventive measures in coastal areas?

SHRI P. CHIDAMBARAM: Again, as I said, as long as we have QRS and restrictions there will be smuggling. But the answer is no country has a fool-proof system against smuggling. Arms and drugs are a different cup of tea. On them we must come down ruthlessly. We will never allow arms, we will never allow drugs, no country does it. But all other matters must be dealt with through reframing and liberalising economic policies. Until we go to that stage, we need to be vigilant. I will be vigilant and will review the entire matter. I will review the entire subject but in the meanwhile I would request the hon. Members to pass this Bill.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: The House will now take up clause by clause consideration of the Bill.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Madam Chairperson, the hon. Minister has said many good things here and I am confident that Government will not bring forth any such bill in the House seeking further extension of the period. As I have to ask for financial aid for Rajasthan from the hon. Minister, it goes against the interest of my State, if I do not listen to him, I, therefore, reluctantly withdraw the amendment. (Interruptions). I am withdrawing it with the permission of the House and at the behest of the hon. Minister.

[English]

MR. CHAIRMAN: Is it the pleasure of the House that the amendment moved by Shri Girdhari Lal Bhargava be withdrawn?

SEVERAL HON. MEMBERS: Yes.

*The amendment was, by leave, withdrawn.*

MR. CHAIRMAN: The question is:

"That Clause 2 stand part of the Bill".

*The motion was adopted.*

Clause 2 was added to the Bill.

MR. CHAIRMAN : The question is:

"That Clause 1, the enacting formula and the titles stand part of the Bill."

*The Motion was accepted.*

*Clause 1, the Enacting Formula and the*

*Title were added to the Bill.*

MR. CHAIRMAN : Now, the hon. Minister may now move that the Bill be passed.

SHRI P. CHIDAMBARAM : I beg to move:

"That the Bill be passed."

MR. CHAIRMAN : The question is :

"That the Bill be passed."

*The motion was adopted*

14.10 hrs.

### PREVENTION OF ILLICIT TRAFFIC IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES (AMENDMENT) BILL

[English]

MR. CHAIRMAN: Now, the House will take up Item No.18.

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): Madam Chairperson, in recent years, India has been facing a serious problem of illicit traffic in narcotic drugs and psychotropic substances. Being sandwiched between the two major sources of narcotic drugs, that is, the Golden Crescent consisting of Pakistan, Afghanistan and Iran on the one side and the Golden Triangle consisting of Myanmar, Thailand and Laos on the other, India is highly vulnerable to transit traffic. Even though a number of legislative, administrative and preventive measures have been taken in the past, such as the deterrent penal provisions in the NDPS Act, 1985 and the provisions for preventive detention under the PITNDPS Act, 1988, illicit traffic in narcotic drugs and psychotropic substances continues to be a serious threat.

The PITNDPS Act provides for two types of cases in which persons engaged in organised drug trafficking can be detained. The first relates to orders of detention issued under Section 3(1) of the Act, wherein the maximum period of detention is one year. After a person is detained, the case is referred within 35 days to an Advisory Board consisting of three High Court Judges for their opinion. If the Advisory Board recommends that the detention is not justified, the detainee is released forthwith. In other cases, the detention orders are confirmed within 90 days.

The second type of cases relates to cases of persons engaged in drug trafficking in areas categorised as "highly vulnerable" under Section 10 of the Act. These

areas include the International Airports, Sea Ports, International borders with other countries, coastal areas, etc. If the Competent Authority issues a declaration under Section 10 of Act to the effect that the person is engaged in illicit trafficking in a "highly vulnerable area" the maximum period of detention is increased from one year to two years, as per section 11 of the Act. In such cases opinion of the Advisory Board is required to be obtained within six months of detention, instead of the usual period of three months.

Past experience shows that provisions of Section 10 of the Act has been a strong deterrent to drug traffickers.

(MR. Deputy-Speaker in the Chair)

It is, therefore, considered necessary to continue the provisions of Section 10 of the Act in respect of detention orders which may be issued even after 31st July, 1996, for a further period of three years.

Mr. Deputy-Speaker, Sir, just now the hon. Members were pleased to pass the Bill containing a similar provision in the COFEPOSA Act. This provision is similar to that. We wish to extend the provisions of Section 10 for another period of three years so that in highly vulnerable areas, the detention could be for a period up to two months and the Advisory Board's opinion could be obtained within six months.

With these words, I beg to move:

"That the Bill further to amend the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988, be taken into consideration."

MR. DEPUTY-SPEAKER: Motion moved.

"That the Bill further to amend the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988, be taken into consideration."

MR. DEPUTY-SPEAKER: Now, I call upon Shri Laxmi Narayan Pandey to speak.

[Translation]

DR. LAXMINARAYAN PANDEY (Mandsaur): Mr. Deputy Speaker, Sir, the present Bill is regarding penal provisions. Through this Bill, the hon. Minister has brought forth new provisions for prevention of illicit traffic in narcotic drugs and psychotropic substances. He has tabled amendment to Section 10 and sought an extension of three years. In this connection, I would like to submit that merely by extending the period, the problem cannot be solved. On the other hand if the persons empowered to take action under the penal provision of the Act, enforce these provisions strictly, only then this problem can be solved. It has been seen that the officers concerned make misuse of these provisions and it has also been seen that the officers in the course of time try to implicate such people as

have no concern with these things. It is right to have penal provisions but they should not be put to misuse. The hon. Minister has said that the Bill has same type of clauses as in the previous Bill just passed by us.

The Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988 provides for preventive detention of the persons indulging in this illicit traffic. It has been provided in the amendment now brought forth that Section 10 of the said Act should continue for further period of three years after 31st July, 1996.

The Bill we have passed just now, embodied similar provisions and was endowed with the same spirit. My submission is that the drugs which have been referred to must be banned and action taken against the persons violating the law. But after all, what happens? There are seventy thousand opium-growers in my constituency. The officers, with a view to fulfil their own interest, implicate these farmers many often in small cases. The officers misuse their powers. Whether it is opium factory, or alcohol factory, the officers there sometime relax the control and sometime utilize their influence and allow tonnes of opium to slip from the factory and no action is taken against them. About two tonnes of opium disappeared in one lot from Neemuch Opium factory and till date the *modus operandi* is not known, neither its destination nor the persons involved therein. I can say with certainty that this can be the result of connivance between the officers and the criminals.

The same situation obtains in the alcohol factory providing morphine and codaine. By providing codaine in the country, we are saving a lot of foreign exchange. We want to increase the promotion of codaine. We have started two shifts in the factory. Presently it is running two shifts. But if some technician pinches morphine from that factory and no action is taken against him, then it is a teanesty of justice. You are going to punish the farmers but are not taking any action against these pilferers. I have invited the attention of the hon. Minister towards these incidents and requested him to take action in the matter.

Mr. Deputy Speaker, Sir, I would like to make one more submission in this regard. In case the Government takes a policy-decision in this matter, the Government should always discuss the matter with the people's representatives of those areas - Shri Jatia's constituency falls in that area though at present he is not here. Similarly, the constituency of Shri Jaswant Singh, Vansudharaji and Dau Dayal ji also falls under that area. Whatever areas fall under opium growing region, the Government should call the representatives of those areas for discussion, otherwise there is every likelihood of many flaws remaining in that decision.

Sir, on the one hand the Government says that such a huge stock of opium has accumulated with it that it is not in a position to consume it and on the other hand Government talks of issuing new licences. Last year,

many licences were issued to the people and it was said that the Government had entered agreements with foreign countries. I would like to know from the hon. Minister as to what was the quantity of opium regarding which agreements were entered? What was the basis for issuing new licences? Whether any procedure was followed therefor or not? I understand that the officers of those areas issued licences arbitrarily on the condition that 45 kilogram per hectare opium produce has to be deposited. But the cultivators were unable to produce and deposit the required quantity of opium. Therefore, if Government gives incentive to the farmers already engaged in opium production, the farmers who have good land, good walls and against whom no changes have been levelled, the Government will be benefitted. The Government should issue licences to those new people also who have good land, irrigation facility and who have full knowledge of opium cultivation.

Mr. Deputy Speaker, Sir, as I have already submitted, the Government should take into confidence the representatives of the concerned areas while making a policy-decision. This will result in more benefit. My other submission is that on the one hand Government says that we have to reduce the production of opium and on the other hand Government maintains that the production of opium in the country is more than that in foreign countries. Why was the production allowed to increase in the first place and why do the Government propose now to reduce it? The two observations do not reconcile. I would like the Government to clear this point.

The production of codeine and morphine is important for us. We have a factory for their production in Neemuch. We use these two products in medicine. In this connection, Sir, I would like to submit that machinery worth crores of rupees is lying idle in this factory as there is some defect in this machinery. Although technicians and experts having knowledge were called for from Germany, yet the defects could not be removed and it is lying still idle. Crores of rupees were spent to make this machinery operational but to no avail. It will certainly be advantageous if the Government pay attention towards the points raised by me here.

Mr. Deputy Speaker, Sir, the policy of the Government to curb smuggling sometimes prove conducive for the spread of smuggling. Every year licences for the sale of poppy husk, after the cultivators have extracted opium from poppies, are issued but this year no licences were issued with the result that poppy-husk was lying undisposed of in the Houses of the cultivators. If he keeps the husk in his House after 31st July then it is a punishable offence. On the one hand the farmer cannot sell this husk in the market in the absence of the licence and he incurs loss to the tune of lakhs of rupees, and on the other hand he is questioned as to why did he keep the husk at his House. The licences are not being issued and the Government is also losing revenue. In the circumstances, the farmer is constrained

to dispose of the husk clandestinely. He avoids being questioned as to why he kept the husk at his House and as such committed an offence. When there is the practice of issuing licences, why they are not being issued? I have already invited the attention of Government toward this.

Our officers, whether they are Narcotics Inspectors or Deputy Commissioners, should not misuse their powers. They should make proper use of their power so that smuggling does not take place. The big sharks engaged in smuggling, whether heroin, or morphine or opium, get scot free but even if one gram of opium is found in the House of a farmer, the innocent fellow is implicated.

As I have already submitted, steps should be taken to set right the mismanagement of the alcohol and opium factory. The working of the factory should be improved. Thefts from the factory should be stopped. If tonnes of opium is stolen therefrom and no action is taken against the culprits, it certainly means that innocent people are implicated and get punishment. This is not proper. There is no bigger crime than this that the morphine is pilfered from the factory. I would like the Government to check it and take action against the guilty officers.

Mr. Deputy Speaker, Sir, the Government has spoken of the advisory board. All matters should be referred to them and they should be disposed of expeditiously. This is nice. I am not opposing it. The stricter the punishment, the better it will be. But the innocent farmers should not be implicated; their woes should be removed and a definite policy framed in relation to the production of opium so that the farmers know as to how much opium they have to grow. Many often, there is frost, many times there is cold wave, many times there is hail-storm and many often such type of diseases affect the crop that the farmers are unable to produce the fixed quantity of opium. These are the woes of the farmers of my area. One can go and visit the fields. The farmers are the victims of natural calamities. The officers do not go and stay there for 15 to 20 days to have a first hand knowledge. In the meanwhile, the farmer is reduced to nothing. The farmer is asked to destroy the entire crop. This results in the loss of crores of rupees. This arbitrariness should be stopped. I would like to emphasise again that the people's representatives should be consulted in this regard. The difficulties of the farmers should be looked into. The farmer is ready to deliver his produce at the rate of average. The Government posts tens of constables, sub-inspectors nearabout the fields and they are keeping a constant watch and they get the delivery of the opium produced there. This produce comes to 40 kilograms and the farmer is blamed for this low produce. But wherefrom will the farmer deliver forty-five kilograms of opium when the opium produced in the very presence of Government's men stationed there comes to forty

kilograms. Wherefrom the farmer will make good the shortage and bring it upto the fixed quantity of 45 kilograms. This means that the farmer should purchase in the blackmarket in anticipation of this uncalled for situation. He is encouraged for this and the offences are in league in this matter. The officers themselves say that they would make good the shortage and that the licence would not be cancelled. Government should check all these maladies. I have tried to dwell upon almost all the matters connected with this narcotics law though they don't form part of the small amending Bill presently before us. I have done this so that the Government have full appreciation of the things required. Mr. Deputy Speaker, Sir, the concerned officers are instrumental in causing brawls also. I myself saw that an officer parked his vehicle outside a mechanic's garage. The mechanic saw there was opium in the dicky of the vehicle. He told that officer to take his opium also with him. Had he not seen, then perhaps he might have been branded a thief. There should be control over the persons doing this.

Mr. Deputy Speaker, Sir, there must be penal provision in the law but the suggestion made by me must also be taken into consideration. The genuine difficulties of the farmers should be resolved. The Government should call for people's representatives while framing the policy. The opium average being fixed by you for the coming crop should not be more than forty kilograms per hectare. The price of opium should also be increased. New licences should be issued on the basis of proper method to be used in the cultivation and production of opium so that the desired quantity could be produced. The suggestion of the people having practical knowledge in this regard should also be obtained.

Mr. Deputy Speaker, Sir, insofar as agreements with the foreign countries are concerned, I would like to know the nature of these agreements, the quantity of opium to be supplied and, to fulfil the requirements under these agreements, how many new licences will be issued in Mandsaur and Ratlam, and the number thereof in Uttar Pradesh.

With these words, I conclude.

[English]

SHRI A.C.JOS (Idukki) : Hon. Deputy Speaker, Sir, this Bill which the hon. Minister has brought here, is very technical in nature. The section also is very technical, which says that the present Act which is in force, is valid only up to 31st July, 1996. Through this Bill, the hon. Finance Minister is seeking only to extend that period.

I do not want to take much time of this august House, but I have a complaint that the hon. Minister is making only piecemeal legislations in this regard. The main Act itself is of 1988. Almost eight or nine years have passed and during this period, various novel methods can be prevented by the existing law. So, my

request to the hon. Minister is that he should bring a comprehensive legislation.

As my friend has said, for preservation of foreign exchange also, we need a comprehensive legislation, but in this case we need a more serious and comprehensive legislation. India is geographically placed in a very difficult situation. On three sides, it is surrounded by sea and on one side, as the hon. Minister himself has stated in his introductory remarks, it is surrounded by some countries which are more vulnerable to these things. The Himalayas are very near to Myanmar and other places.

The illicit trafficking of the drugs and other goods can easily be carried out or rather it can be placed in storage in these areas. We have to have a very serious thinking about it. I am not belittling it when I say that by smuggling of gold, goods and other materials you may be losing financially or pecuniary and other things; but by this you are losing the health, the character and the youngsters are being spoiled. More serious look and view have to be taken into it and a comprehensive study has to be gone into. I do not still understand why it is said so in the Section 10 of the Act, which makes certain places vulnerable. Why should it be? All places are vulnerable. It is not that only the places where people have been caught or arrested are places of vulnerability and others are not. It is said here and I quote:

"...is likely to engage in illicit traffic in narcotic drugs and psychotropic substances into, out of, through or within any area highly vulnerable to such illicit traffic and makes a declaration to that effect within five weeks of the detention of such person."

The highly vulnerable places are enumerated in this Bill. If a person is caught with tonnes of drugs from these vulnerable places he cannot escape and he will be caught. I agree with you. But this section will not be applicable to other places.

**SHRI P. CHIDAMBARAM :** It is in the extended period. It will apply for one year.

**SHRI A.C. JOS :** In this case a person who is not in the vulnerable area and who is not caught in that non-vulnerable area, if he is engaged in illicit drug trafficking, what will happen? Every spot in India can be like that. Especially it is so in Manipur and the North-Eastern boundary areas which are rather close or adjacent to other countries - like Myanmar - as my friend is from that side.

My submission is that irrespective of vulnerability or not it should be the same. Why should we speak of vulnerability of an area in this country? That may be good for smuggling purposes. But in this case you have to use a common standard wherein it is said any place in this country is equally vulnerable.

So, my request to the hon. Minister is that instead of having a very technical view in this matter he should consider the above. I do not understand as to what is

the logic behind this vulnerability and non-vulnerability. We have to look into this.

Another thing is that ours is a democratic country and we have rule of law and every citizen should be given protection of law and everything is agreed. But in certain cases we dispense with the procedure or Civil Procedure Code and Evidence Act so that the onus of proof is on the side of the accused. Even in cases of protection for Scheduled Castes and Scheduled Tribes, if an offence is committed against a Scheduled Cast the onus of proof is on the side of the accused and he has to prove the case. In other cases it is the other way round. Accordingly, if such things can be given such a deterrent and very serious look, the illicit trafficking of drugs and psychotropic substances should be given more serious thinking. The onus of proof should be on the side of the person, on the side of the accused in that case.

In nutshell what I am saying is that we have to have a very comprehensive and detailed thinking in this matter now. My friend here is also saying it. There are very many loopholes in this. Smuggling is going on. A number of cases are caught; but in a number of cases the people are escaping as in the case of smuggling it is the carriers who were caught and whereas the monitoring people, the real smugglers with all sorts of modern gadgets sit at home and control the smuggling. The carriers are caught, especially in the present scheme of liberalised rules of bringing foreign exchange.

More people are going and coming everyday. They become carriers. They are taking only very little quantity of drugs with them and can hide it anywhere they like. So, my request to the hon. Minister is that we have to have a very close look into these matters.

A number of Committees are there. I have gone through one or two Reports also, but those Reports are not reflected in the present enactments, present laws that are available to prevent these things. So, all these things are to be considered. We are very slow in enacting laws as we have adopted Westminster system. In this country, we have a unanimous feeling that this is a matter which affects our nation, especially the youngsters. You may make whatever publicity against drugs, but when it is freely available near colleges and hostels, it makes all the more easy for the youngsters to develop that habit. Even now, a lot of drug trafficking and sales are going on. You should have a special cell to control this menace. In many States, there are Narcotic Cells in the police. It is also a fact that India being a very vast country, there are so many possibilities of smuggling as well as cultivation, manufacturing and all these things. For that matter, I come from a district wherein *ganjai* can be cultivated very comfortably. There are many people who are cultivating it. The police raids everyday and catches them. But with all our reliable arrangements, our law is still, more or less primitive. We need very elaborate law regarding this matter.

With these words, I support this Bill.

## [Translation]

VAIDYA DAU DAYAL JOSHI (Kota): Mr. Deputy Speaker, Sir, a racket has been formed against India. A gang has been organised to live in India itself. It is unfortunate that smuggling into India from Thailand, Hongkong, Singapore and Nepal is taking place on very large scale. In the whole, opium cultivation is to the tune of three thousand seven hundred tonnes and out of this quantity, three hundred tonnes of opium is used for manufacturing heroin. Insofar as the opium cultivation and the supervision and control thereon is concerned, it was proper. But it is a matter of serious concern that the heroin, smack and brown sugar, as an alternative to opium is increasingly available in the market and India has been captured as a market for these commodities. Pakistan, adjacent to our border and I.S.I. have changed their technique swiftly. Instead of smuggling arms and ammunition now, opium, smack etc. are being smuggled, the people are being made addict thereof and their strength depleted. The brave people are being turned into worthless beings. This is a premeditated move of Pakistan. The way the narcotics are being smuggled into the border areas, is a matter of concern for the people of the country. Nobody will oppose the Bill brought by the hon. Minister. What I want to submit is that the market is overflowed with narcotics these days and the children are becoming addicts thereof. This is causing concern to the entire country. It appears that the entire economy of Pakistan is based on illegal arms and illegal drugs. Twenty-five per cent of parallel economy of Pakistan is running on narcotics. The income from smuggling in Pakistan has increased as compared to last year. It is matter of great concern. Only last year meeting of the concerned officers from India and Pakistan was held and a decision taken that proper arrangements would be made to curb the smuggling of narcotics but till date neither any arrangements have been made, nor any effective steps taken in this regard. Shri Salauddin Ahmed, who was a Major in the Pakistan army and their Narcotics Secretary also held talks with the Narcotics Secretary of our country during which Pakistan spoke of curbing the smuggling of narcotics but till date no concrete steps have been taken by Pakistan in this direction.

My submission is that whatever steps were taken to curb smuggling did not show any effective result. Consequently the number of smugglers being apprehended in the country is increasing day by day. In the year 1993 the number of narcotics smugglers apprehended in the country was 13,724 and in the year 1994 their number was 14,452 but this year their number has gone down to 13,312.

Mr. Deputy Speaker, it is generally said that a large quantity of heroin is smuggled through Rajasthan border. Only somedays ago heroin worth 63 crore of rupees was seized in Bikaner. Though heroin was seized, yet the "hero", i.e., the smuggler, the owner of this heroin made good his escape. What generally happens is that

the narcotics land in the country through smuggling but the smugglers make good their escape. The heroin is smuggled into the country on camel-backs and as soon as the smugglers happen to see the security personnel, the camels are driven into the forests. The officers do catch the camels but the smugglers run away from the spot.

Mr. Deputy Speaker, Sir, in this context I would like to submit that expeditious and effective steps should be taken to apprehend the smugglers. It is well-known that marijuana and hashish is smuggled into the country through Nepal border but inspite of the fact that these commodities enter Bihar on a large scale, the number of arrests made in Bihar is negligible as compared to other States. In Bihar 126 smugglers of narcotics were arrested in the year 1993, their number in 1995 was 198 but this year only 31 smugglers could be apprehended. It is known to the whole country that hashish, marijuana etc. enter India in large quantity through the border of Nepal but it looks that there is nexus between the politicians and smugglers. They are in league with each other and because of this hashish, marijuana, opium, hemp etc. is sold in the entire country. I would like to submit that Government should take strict action in this regard.

Finally, I would like to say that there is much corruption in the work connected with destroying the seized narcotics. Although the Government has evolved a system, yet there is need for making detailed arrangements as to the quantity of seized narcotics which is burnt or destroyed. There is a need for fool-proof method and proper vigilance in this regard. I would like the Government to frame strict rules in this regard and take effective steps in the matter to ensure that there is no irregularity in the work of destroying the seized narcotics and make the department concerned quite alert and vigilant. If somebody is apprehended while smuggling heroin into the country, he is awarded ten years punishment, under the present laws and in this also, the degree of intoxication has been divided into two parts, i.e. light and strong. My submission is that strictest possible punishment should be awarded to the persons committing narcotics offence. I am of the view that if death sentence is awarded to the persons smuggling smack into the country, even this sentence would not be sufficient. If we do not frame strict laws to bring about an end to such nefarious trade, one day this will destroy the country itself. Today one will come across smack injections in every medical store of the country. There is a limit for police-raids also. The whole country is worried on the score of increasing sale of smack-injections. I would like all of us to sit together, discuss the matter and provide for strictest punishment. In this connection the Government should bring a Bill in Parliament which should be passed unanimously. The country can be saved if the persons selling smack are awarded death sentence. Smack is in a way foreign invasion of our country. We cannot be defeated in war

by Pakistan but smack can destroy the youth of our country. If the Rajputs, Gujars and Jats are destroyed by smack, the country will be on the brink of ruin. I, therefore, demand that the Government should bring forth strictest possible laws and then our party will also support you.

With these words, Sir, I conclude.

[English]

SHRI AJAY CHAKRABORTY (Basirhat) : Mr. Deputy Speaker, Sir, considering the gravity of the offence, I support the Bill which is introduced by the hon. Minister. It is a fact and it is also a matter of agony that the commission of offences related to this Act are increasing more and more. These anti-national activities should be prevented by any means and the offenders should be dealt with seriously. It is our experience that there is a powerful smuggling racket behind this offence. These rackets are powerful, economically as well as socially. Practically, some persons are engaging some agents taking advantage of their poverty for doing these anti-national acts and crimes.

The Applying Authority and the Executing Authority who are legally empowered. Before applying this Act, they should be cautious because no innocent person should be hauled up, no civil liberty of the innocent persons should be curtailed. The executive authority before applying this Act, should be cautious and the Advisory Board, at the time of review, should not take into consideration of the flexible attitude of a person. They should consider and review the matter seriously. But they should dispose of the matter as early as possible.

These things are going on in our country. They are increasing more and more in our country due to the lacunae and due to laches of some persons are vested by the law and statute to look into the matter, to prevent it and to deal with the matter and in connivance with those persons, these persons venture to do these anti-national acts.

So, the Government should be cautious and take care of the persons who are legally vested with powers to look into the matter. They should not be given an opportunity to keep or to render concessions to the culprits, to the accused and to the offenders.

The person who is duty-bound to look after the matter, if he wilfully violates his duty, he should be punished and if he acts properly, he should be rewarded. The other learned colleagues have been very much agitated. But I have not been agitated much about this matter.

Sir, considering the interests of the country, I support this Bill. I also hope that all the hon. Members are of the same opinion as I am. With these words, I conclude.

[Translation]

DR. SATYANARAYAN JATIA (Ujjain) : Mr. Deputy Speaker, Sir, we are discussing the Prevention of Illicit Traffic in Narcotic drugs and Psychotropic Substances (Amendment) Bill, 1996 here. The production of narcotics, the trade thereof and their effect is definitely ruinous. All of us must have heard about opium but are not aware of the details regarding opium cultivation. The opium cultivation required special skill and its crop comes up good in particular type of soil. Malwa region of Madhya Pradesh and Chittorgarh and Jhalawar districts of Rajasthan adjacent to it are famous for opium cultivation and have been yielding good crop year after year.

In the beginning, there was not much to be said about opium cultivation but as the technology developed, the opium trade started picking up. The situation was good till the time Government procured this commodity on remunerative price to the farmers. The opium cultivation is a very difficult job. It is undertaken with utmost care in the same very way as the parents living up there children. When the opium plants bear poppies, these poppies are lanced in the early morning and the milk starts coming out from the poppies which after becoming dense transforms itself into opium and it is collected before the heat picks up. Thereafter, the seeds are collected from the dry poppies and sold in the market and is used in many parts of the country in preparation of different types of dishes. The residue poppy husk is also sold in the market. Thus opium crop is a multipurpose crop. This crop is profitable in many ways and this is why it is called a special type of crop.

Insofar as the laws and rules governing this crop are concerned, nobody can have any objection in regard thereto. There can be objection only to the demand of an extension after 31st July 1996. In this context, my submission is that if the Government go into the root of it, certainly the things become understandable. The farmer is not getting the remunerative price and he becomes the victim of avarice and sells opium to the smugglers. This opium is not then available in the quantity of one gram or two grams to opium addicts but this finds its way to the foreign lands in quintals. Then its price rises manifold. Its by-product such as cocaine phosphate is lethal. Morphine, heroin and brown sugar etc. are manufactured from opium. People enter this trade to earn high profits. We know only the smuggling in these products but it goes on in other commodities also such as gold, silver and costly items. If the price of some commodity is less at some place and more in other, that commodity is smuggled into the place fetching high price. This tendency is very harmful. The smuggling does fetch more money but it also brings calamity, ruin, misfortune and pain in its wake. Smuggling is very dangerous and the provision you have made for its prevention should be enforced strictly. The other connected things in respect of which you can take action demand that you should bring forth severe laws but you



have to be careful in the implementation thereof because in case a gram or two of opium is recovered from the House of somebody, he will get the same punishment of two years imprisonment and one lakh rupees as fine. Some person is implicated because of mutual disputes, malice and put to harm as a revenge in connivance with others. This certainly is painful. This point should always be taken into consideration that in what circumstances and how this small amount of opium is recovered. My submission is, Sir, that it is very necessary to take action to prevent smuggling and the action Government takes in regard thereto should be taken properly and carefully.

I would like to draw the attention of the Government to the fact the practice of granting licences for opium cultivation and granting lease therefor is being curbed gradually. Opium cultivation has been brought to nil in Ujjain district. The opium cultivation is done in my constituency even at present. The farmer is told to start opium cultivation in the first instance and he embarks upon this work and as soon as it is done, those very people come to inspect the area and if he has covered a row or a little bit more, then he is threatened and money extracted from him. In this way, no respect is shown to the opium cultivator. The opium cultivator is forced to bear insult.

Mr. Deputy Speaker, Sir, in this context I would like to submit that whatever policy is framed by Government in this regard, it should be ensured that there should be proper licensing system and also that the farmers should get remunerative price for their produce. The produce of opium per hectare should not be arbitrarily fixed at 45 to 50 kilograms. This should be examined and the limit fixed at 40 kilograms. Otherwise, the poor farmer has to buy the balance quantity in blackmarket and has to bear great loss. While fixing the limit the Government should take into view the situation obtaining in opium-growing areas of Uttar Pradesh, Madhya Pradesh, Rajasthan etc. Area-wise average should be worked out. Only then the farmers can get some relief. Besides, more and more farmers should be issued licences for opium cultivation. If we keep all these points in view, we will certainly be protecting the interest of the farmers. In this way the Government will be in a position to adopt strong measures against the smugglers also and consequently prevent smuggling of opium and other narcotic drugs.

[English]

SHRI ISHWAR PRASANNA HAZARIKA (Tezpur) : Mr. Deputy-Speaker, Sir, illicit traffic in drugs and narcotics has been assuming an alarming proportion over the years. There is no doubt that there is an urgent need to combat this social menace.

There is no doubt that this House would extend unanimous support to this Bill to amend or extend the operation of Section 10 from 31st July, 1996 to 31st July,

1999. It is only one dimension of this problem that I would like to focus on. This is a dimension of terrorism and national security.

Today we find that wherever terrorism exists, that place happens to be the usual route for drug and narcotic trafficking. In this Act the vulnerable areas that have been identified specially in the northeast where I come from are areas affected very seriously by terrorism. What is it that is sustaining terrorism and terrorists in these areas? They have acquired highly sophisticated arms like AK-47, AK-56, rocket launchers and what have you. Where have they got all the money from? Is it merely from collection through extortion from the people of this country or is it merely contribution from the countries hostile to India or is it also the money coming from the narcotics trade? Therefore this issue needs to be addressed very seriously because it is not merely a coincidence that terrorism affected places are also places where drug traffickers are flourishing and thriving.

At the same time we have agencies like ISI operating merrily in many of these sensitive areas and they are also conniving with and assisting in the drug trafficking operations by the unscrupulous traders with the assistance of terrorists. Therefore if this menace is to be curbed and combated effectively, then this aspect of terrorism needs to be given proper attention to without which this menace can never be combated successfully.

Again, we find that Kashmir unfortunately has been left out of the definition of the vulnerable areas. Now we have seen that in the Hawala case a lot of money passed through Hawala operators to terrorists. Therefore it is quite clear that some drug trafficking money is going to the purchase of arms by the terrorists operating even in the Kashmir areas and perhaps the Government would consider including Kashmir also as one of the vulnerable areas as defined in this particular section.

Finally I would like to point out that this subject is being dealt with by the Finance Ministry. Apparently it is because the Customs is under the Finance Ministry and therefore this subject which is with the Narcotics Department has been kept as one of the Departments of the Finance Ministry, Revenue Department. But if it is left to the Finance, then they are liable to take a revenue oriented view of the problem and not the social oriented view nor the security oriented view nor the prevention oriented view. Therefore this also needs to be considered by the Government - whether this subject should be taken out of the purview of the Finance Ministry and placed within the purview of the Home Ministry which should be, in my view, the appropriate Ministry to deal with the problem of illicit trafficking in drugs, narcotics and psychotropic substances.

With these few words I would extend support to the amendment to the Bill as moved by the hon. Finance Minister.



[Translation]

SHRI GEORGE FERNANDES (Nalanda): Mr. Deputy Speaker, Sir, while giving one's opinion on the law under consideration here, it is necessary that we pay our attention to the eastern region of our country. It is very easy to understand as to which foreign power indulge in sending such type of narcotics to our country. But in my view the eastern region of the country is most important region of the country in this trade. It does not mean that our people there have the know-how of producing heroin or are actually engaged in opium cultivation. But across the border, Burma is such a State livelihood of whose people is only narcotics. The way for them to smuggle heroine outside Burma is Manipur in eastern region of India and the More town of Manipur is adjacement to the border of Burma. Heroin is sent to India through that channel and it can be said that this is the way wherefrom heroin is supplied to the world market through India. This channel is already there. Insofar as eastern region of the country is concerned, we are careless in every aspect concerning this region. We do not think at all about narcotics situation prevailing there, neither do we want to listen to anything about it. There is no need to tell here as to how the security forces of India are engaged in this narcotics trade. The jawans of our Border Security Force were apprehended near Patna while transporting heroin in trucks. This heroin had been brought from across the border. The matter was raised and discussed in the House. The prosecution aspect was also discussed but it is not known what ultimately happened in that case. The material is brought in the Border Security Force trucks and their other vehicles follow them as protective cover. Our jawans, armed with rifles and posted at borders to guard them, indulge in these activities. It can be easily understood how dangerous these activities could be.

Along with narcotics, the other malady in the eastern region is AIDS. This also is finding way into our country to a large extent. Eastern region is very far and does not have more Lok Sabha seats. Therefore, except one or two bigger political parties, other parties are not worried about it. Who would like to run after one seat and this is also believed that whatever party forms a Government in Delhi, the entire Government in eastern region would work at its behest and members of that very party will be returned to Lok Sabha from there. We people here have that sort of thinking. If we happen to go to that area and see the effect of AIDS and narcotics on the lives of the people there as also on their economy, we can well understand their plight. Our friend Munshiji definitely knows this. But discussion in this regard is not taken up here. The hon. Minister has brought this Bill here. I would like to request him to pay attention to that area also. I would like that a team of eight to ten member of this new House should visit that area and personally see as to what havoc drugs have played there, what ruin has been brought over there and to what extent

AIDS has spread its tentacles. These points should be elaborately discussed here because we have got an opportunity today.

MR. DEPUTY SPEAKER : Please suggest some remedial action in this regard.

SHRI GEORGE FERNANDES : On our border there, we have open trade with Burma. Earlier this was not there. It has started only two years ago. We have opened our borders fully. The idea behind this was to increase our trade with Burma. I would like the hon. Minister to pay attention to this point that the goods worth hundreds of crores coming from that side are made in China. All those goods are not manufactured in Burma. Heroin comes from Burma, aids is exported from Burma, cloth and electronic goods come through road-route upto More. In a way these things are being smuggled into our country. I would, therefore, like that the vigilance on our borders should be strengthened further. We should keenly watch on our borders as to what is happening in our neighbouring country. I will also submit that there is militancy rule there and the people around the world have experienced in what way such type of activities spread in the countries ruled by army whether it is South America or some other country. In whatever country there is army rule or dictatorship, history bears testimony that money has been made in such countries through drugs and this money then used to repress the people. We are witnessing the same phenomenon in the present era also. America has good relations with India. It is difficult to imagine as to how much pressure America is building on Burma to ban the trade in drugs and to stop drugs cultivation. They are on this job for the last so many years. The biggest lot of drugs was surrendered before the Government by the drug traffickers about ten months ago. But those people also struck a bargain with America that though those traffickers had surrendered, yet they would not be arrested and prosecuted. After striking this bargain, they even disbanded the private army. I, therefore, submit with utmost emphasis on my part that our Government should discuss these matters with the Government of Burma. Our borders with Burma through which Chinese goods are finding way into our country should be guarded more vigilantly. The Government should take some steps to save the eastern region and the country at large from the onslaught of drugs and aids. If we concentrate our efforts only in the western region, we may lose sight of the region wherefrom we have the real danger. I, therefore, submit to the Government at this juncture that they should safeguard the interest of eastern region and take steps to discuss this matter with the Government of Burma.

MR. DEPUTY SPEAKER : Thank you. I would like to add a little bit and that is that whatever Shri George Fernandes has said is very important. I would like the Government to take it seriously and adopt effective measures in this regard.

[English]

SHRI P. CHIDAMBARAM : Mr. Deputy-Speaker, Sir, I am grateful to hon. Members who have broadly supported this Bill which, as I said in my introductory remarks seeks to extend the period of detention in the case of persons and activities which take place in highly vulnerable areas.

Let me, at the outset, clear what appears to be a misconception. This is a law relating to preventive detention. There is another law - the Narcotic Drugs and Psychotropic Substances Act, 1985 - Which is the substantive law dealing with offences, offenders, and punishment for offences. In fact, the punishment for offences in that law includes the death penalty. So, it is a very strict law. It is not as strict as in Singapore. It is not as strict as in Malaysia. But our law is an extremely strict law. For the last six or seven years, after we persuaded the Judiciary to enforce the law very strictly, normal sentences which are handed down under that law, are ten years' or seven years' imprisonment.

Even death penalties are provided for in that law. This law does not deal with punishment at all. This is a preventive law. If a person is caught with drugs, either possessing for his own consumption or possessing for trafficking, then he is punished under the NDPS law. This is a preventive detention law intended to nab people who are likely to engage in smuggling or illicit trafficking and, therefore, this law has to be tested and dealt with in a different way. This law is to be traced to Article 22 of the Constitution. There is another law. I am coming before this House with some amendments in that law to take care of some aspects which the hon. Members have mentioned. For example, if somebody possesses a very small quantity, will he be punished? I am coming forward before this House with amendments to that law but this law is a preventive detention law.

Sir, as I said, when I spoke on the earlier Bill, drugs and narcotic substances have to be dealt with very severely. Traffic in these substances and offences relating to these substances have to be dealt with a very severe hand. But as I said, India because of its geographical location, is especially vulnerable to illicit traffic, because we are right between the Golden Triangle and Golden Crescent. We cannot change our geography nor can we change or administer the laws in our neighbouring countries. We simply have to protect ourselves, which is why we are very strict in both the substantive law and the preventive law.

I am aware that there is a high density of illicit traffick in drugs and narcotics in India. That is because, illicit traffick in drugs and narcotics is run by international Mafia, international cartel. The money involved in this business is mind boggling. A very large amount of money is involved. In fact, the estimate is that the money involved exceeds the GDP of many small countries. That is the kind of Mafia which runs illicit drugs and traffick in narcotics. But we have done rather well. Unlike the

other law, which I highlighted a little while earlier, in this law we have a very high success ratio of having our detention orders upheld by courts. For example, in 1993, 107 detention orders were issued and 90 people were detained. 55 cases were upheld by the courts. In 1994, 189 orders were issued, 158 persons were detained, 63 per cent of the order were upheld by the courts. In 1995, 111 orders were issued, 87 persons were detained, 70 cases were upheld, which means 80 per cent of the cases were upheld. And, so far, up to June, 1996, 45 orders were issued, 41 persons were detained and in 39 cases orders have been upheld, which means, there was a success ratio of 95 per cent.

We have also declared some areas as highly vulnerable areas. These declarations are made having regard to the requirements of the situation. We have made a large quantity of seizures of Opium, Morphine, Heroine, Ganja, Hashish, Methaqualone, in highly vulnerable areas. Almost 40 to 50 percent of the quantity, of, say Methaqualone and Herione, is seized from highly vulnerable areas and that is why, there is a need to keep a distinction between all areas and highly vulnerable areas and provide for a longer period of detention in respect of highly vulnerable areas. We are the only country in the world which allows legal cultivation of Opium. No other country allows it. We have been permitted by the international community to do that mainly for medicinal purposes. A very significant extent of land in our country is licenced for cultivation of Opium.

For example, in Madhya Pradesh it is 14,200 hectares, in Rajasthan 9,922 hectares, and in U.P. it is 227 hectares. The number of Licences issued is also large. In my view, we seem to be issuing far too many licences even given this acreage, but I intend to review that matter. The minimum yield which is prescribed is 46 Kg per hectare. But I have taken note of hon. Members' point that there appears to be some difficulty, and some abuse of this provision of minimum quantity. I will review that when I review the NDPS Act.

15.20 hrs.

(Shrimati Geeta Mukherjee in the chair)

All areas in which licenced cultivation of opium has been permitted have been declared as highly vulnerable areas. Therefore, the new amended Section 10 will apply to all areas where licensed cultivation of opium has been allowed.

I am aware that some of the law-enforcing agencies are also indulging in smuggling of drugs and narcotic substances. The most infamous case is the case of officers and men of one of our paramilitary forces who smuggled narcotic drugs from the North-East and were arrested in Bihar. This is a shame. If the fence begins to eat the crop, there is no way in which we can insulate our country from the assault of this international mafia

which deals with drugs and narcotic substances. We have come down heavily on this group of people. They were detained under this Act, and they are being prosecuted under this Act. I have also issued directions to examine whether more severe action cannot be taken against them by invoking Article 311 of the Constitution. That is under examination.

As I said, I will now, now that I am free from the Budget exercise, begin to attend to some other aspects of my Ministry. One of them will be to review the laws relating to preventive detention both under COFEPOSA and SAFEMFOPA as well as the NDPS Act. While I do a review of these laws I will also review the administrative steps that are required to be taken to enforce these laws. I am deeply grateful to hon. Members for the number of suggestions they have made. I shall keep these suggestions in mind. I request that this Bill, which provides for the extended period of detention under Section 10 may be continued for another period of three years. The Government has found that this section is an extremely useful and deterrent section to crackdown on illicit traffic in drugs and narcotic substances all over the country and in particular in highly vulnerable areas.

MR. CHAIRMAN : The question is:

"That the Bill further to amend the prevention of illicit Traffic in Narcotic Drugs and psychotropic Substances Act, 1988 be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN : The House will now take up clause-by-clause consideration. Shri Girdhari Lal Bhargava.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Madam Chairperson, I would like to say only this much that the hon. Minister has replied that this law is appropriate. There are no two opinions about it. But it should be made a bit more strict. The hon. Minister should look into this aspect and I will also submit that there should be provision for more stringent punishment in this law... (Interruptions). The number of persons consuming smack is increasing in our country. Smack is causing much harm to the youth and other people. This addiction is spreading in schools and colleges also. I, therefore, request the hon. Minister to make the law more harsh. It should be done once for all so that the need to bring forth amendments time and again is obviated.

This is why I have said that if instead of 99 it is 98 then it will be certainly good. If hon. Minister agrees to this it will be alright. My submission is that the hon. Minister should not think much of 99. Of course, I do not know what the hon. Minister has in his mind as their new Government has been constituted only recently. I am talking about their good as well as good of the country.

[English]

MR. CHAIRMAN : Are you withdrawing them?

[Translation]

SHRI GIRDHARI LAL BHARGAVA : Yes, I have to withdraw it per force. I have to accept the reply being given by the hon. Minister. I am withdrawing it.

[English]

MR. CHAIRMAN : In that case, Shri Girdhari Lal Bhargava has agreed to withdraw the amendment.

[Translation]

SHRI GIRDHARI LAL BHARGAVA : As per your order, and even not being satisfied by the reply given by the hon. Minister, I am withdrawing it.

[English]

MR. CHAIRMAN : That is very kind of you, both for me and the hon. Minister. Has the hon. Member the leave of the House to withdraw his amendment?

SEVERAL HON. MEMBERS : Yes.

*The Amendment was by leave withdrawn.*

MR. CHAIRMAN : The question is:

"that clause 2 stand part of the Bill".

MR. CHAIRMAN : The Question is,

"That Clause 1, the Enacting Formula and the title stand part of the Bill".

*The motion was adopted*

*Clause 1, the Enacting Formula and the title were added to the Bill.*

SHRI RAMAKANT D. KHALAP: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN : The question is:

"That the Bill be passed."

*The motion was adopted.*

15.28 hrs.

## REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

[English]

MR. CHAIRMAN : We now go over to Item No.19. Now, the hon. Minister to move the Bill.

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : I beg to move:

"That the Bill further to amend the Representation of the People Act, 1950, be taken into consideration."

SHRI G.M. BANATWALLA (Ponnani) : What about the amendments that we have suggested and have not so far been circulated? We don't know what the amendments are.

MR. CHAIRMAN : Do you not have them?

SHRI G.M. BANATWALLA : Some of the amendments have not been circulated.

MR. CHAIRMAN : Mr. Minister, you speak first. Shri Banatwalla, you can surely speak on that.

SHRI G.M. BANATWALLA : Before that let us discuss the Bill in the light of the amendments they have been given so far.

MR. CHAIRMAN : Before that, the hon. Minister has to speak actually.

Now, I am taking up Item No.19

Mr. Minister may move the Bill please.

SHRI RAMAKANT D. KHALAP : I leave it to the sense of the House whether we should take up Item Nos.19 and 20 together because Item No.19 is only a minor matter which does not, in fact, call for any debate. It is in fact a part of the electoral reforms.

MR. CHAIRMAN : The problem is that in the Order Paper, we do not have that provision. It is given separately.

[Translation]

SHRI BHAGWAN SHANKAR RAWAT (Agra) : It would be better if Item No. 20 is taken up first.

[English]

MR. CHAIRMAN : I am coming to that. There are two alternatives. We can either take these two separately or we take first Item Nos. 20 and 22 together and dispose them off and then come to Item No. 20.

SHRI SATYA PAL JAIN (Chandigarh) : In that case, both the items will have to be taken separately because the scope of both is different.

Item No. 20 is Electoral Reforms. Item No.19 is only relating to Karnataka and Uttar Pradesh. So both are to be taken up separately.

MR. CHAIRMAN : It is not just a technical matter. But the content of it is also somewhat different.

15.30 hrs.

SHRI RAMAKANT D. KHALAP : I beg to move :

"That the Bill further to amend Representation of People Act, 1950 be taken into consideration."

Madam, this Bill seeks to amend the Fourth Schedule of the Representation of People Act, 1950 in relation to the States of Karnataka and Uttar Pradesh.

The electorate, for the purpose of elections to the Legislative Council of a State with the local authorities' Constituency, consists of number of Members of such

local authorities exercising jurisdiction in any place or area within the limits of that Constituency as was specified in relation to that State in the Fourth Schedule of the Representation of People Act, 1950. At present, the local authorities specified in the Fourth Schedule in relation to the State of Karnataka are Municipalities, Mandal Panchayats, Cantonment Boards, Notified Area Committees and Zila Parishads and in relation to the State of Uttar Pradesh, these are Municipalities, Zila Parishads, including Antharim Zila Parishads, Cantonment Boards, Town Area Committees, Notified Area Committees and Kshetra Samitis.

Consequent to the coming into force of the Constitution Seventy-third (Amendment) Act, 1992 and the Constitution Seventy-fourth (Amendment) Act, 1992, the States of Karnataka and Uttar Pradesh have amended the laws relating to local bodies. Accordingly, the earlier local bodies in these two States have been replaced with the new local bodies and as such consequential amendments are required to be made in the Fourth Schedule in relation to these two States.

The State of Karnataka has recommended that for the existing bodies, the bodies, namely, City Municipal Corporations, City Municipal Councils, Town Municipal Councils, Town Panchayats, Zila Panchayats, Taluka Panchayats, and Cantonment Boards may be substituted.

Similarly the State of Uttar Pradesh has recommended that in place of existing bodies, the bodies, namely, Municipal Corporations, Municipal Councils, Zila Panchayats, Nagar Panchayats, Kshetra Panchayats and Cantonment Boards may be substituted.

The Bill seeks to amend the Fourth Schedule in accordance with the recommendations made by the Governments of Karnataka and Uttar Pradesh.

As the Bill seeks to effect only consequential amendments in the Fourth Schedule on account of replacement of earlier local bodies by new bodies, I hope the Bill would have the unanimous support of the House.

[Translation]

SHRI BHAGWAN SHANKAR RAWAT : Madam Chairperson, though I am supporting this Bill, I would like to draw attention towards a flaw therein. It is not a lapse on the part of the hon. Minister but it is the Government machinery which is responsible for this lapse. Till the Parliament passed the Constitution 73rd and 74th Amendment Bills, the local bodies in Uttar Pradesh were neglected insofar as elections were concerned. Even now when the Election Commission is exercising so much control, the Legislative Council there is being made fun of. There are so many areas wherefrom M.L.C.s' elections had to be conducted but this work has not been done as yet. The local bodies whose elections of M.L.C.s is being discussed here at present, even those seats will fall vacant as these people

will be retiring soon. Therefore, those local bodies and the people over there are being deprived of representation in Legislative Council. There will be nobody to look after their interest.

15.35 hrs.

[Shri Chitta Basu in the Chair]

I would like to add two more points here. Firstly, the Bill may be made more comprehensive and for this Gram Panchayats should also be included in it.

[English]

MR. CHAIRMAN : I have to announce that there is an amendment to the motion for consideration to be moved by Shri V.M. Sudheeran. I think, he is not present in the House.

[Translation]

SHRI BHAGWAN SHANKAR RAWAT : I would like to request Shri Khalapji that in case of Uttar Pradesh, Gram Panchayat may be added in the amending Bill so that the Gram Pradhans who have always been voting in elections, and the new members of Gram Panchayats get voting rights to ensure more effective representation.

The other point I would like to dwell upon is that it appears to me that the list showing the institutions to be added, which the hon. Minister has just now read and which has been forwarded by Uttar Pradesh Government, has been dictated by some I.A.S. officers on the basis of some previous experience and thus the names of some institutions have been dictated wrongly. There are no Zila Parishads now there - neither are there any Interim Zila Parishads. Their name is now Zila Panchayats. I would like to draw the attention of hon. Minister to this flaw. This is a clerical mistake. Some bureaucrat has forwarded the old names. There are no Municipal Corporations there now. Their new name is "Nagar Nigam". The Municipal Councils also are not there now, their new nomenclature is "Nagar Parishad" and "Nagar Panchayat". He has written "Nagar Panchayat" but he has not mentioned "Nagar Parishad". If a correction is made at this end, then the Uttar Pradesh I.A.S. officers will add to their knowledge as also they will become conscious of their negligence. You have mentioned Zila Panchayats. It is good but along with this, I had requested you in the beginning to add "Gram Panchayat" also so that there is broader representation.

The other point I would like to touch upon is that this election should have been held in time. In this way, the elections are being made fun of. When 73rd and 74th amendment Bill was passed and these bodies became Constitutional requirements, the delay to the Legislative Council elections is not good. The Uttar Pradesh Government should be reminded to take action in this regard. But there is President Rule in Uttar Pradesh for the last eight months and in a way it is the Central Government which is administering the State and as such I would say that the Central Government

should have exercised care in this regard. The Central Government is responsible for this flaw.

With these words, I support the Bill.

SHRI SATYA PAL JAIN : Mr. Chairman, Sir, the hon. Minister, while presenting the Bill just now said that it refers to a very ordinary matter. He observed that he was sure that all sections of the House would support the Bill. Insofar as the question of inclusion of local bodies is concerned, there may not be any difference of opinion but there are two serious problems here. Firstly, as said by Shri Bhagwan Shankar Rawat just now that there is change in the nomenclature after the passing of Constitution (73rd amendment) Bill. This is one aspect. But there is an other important point also and I would like to say in this regard that the elected Panches and Sarpanches of the local bodies, whether you call these bodies as "Gram Panchayats", "Nagar Panchayats", are important limbs of the local authorities. Three-tier system prevails at municipal level where at the lowest level there is municipal committee called "Nagar Panchayat", its second stage is known as Nagar Council and then there is municipal corporation. Similar situation obtains in rural side also. There is "Gram Panchayat" and then there is an institution at the block level and then a separate institution at the district level. But as has been said by the previous hon. Member, some mistake has cropped up here. The lowest unit is Gram Panchayat and neither its members nor Sarpanch has any right to vote. Mr. Chairman, Sir, I would like to submit that when local authority is referred to it has been defined in the general clauses act, Gram Panchayat and municipal committee are included in the block authority. But these bodies are not there in the present Bill. In this bill relating to Karnataka and Uttar Pradesh, the lowest unit, i.e., "Gram Panchayat" has not been included therein, even its "Pradhan" has not been included therein. I have given notice of an amendment in this regard and my hon. friend from Karnataka Shri Anand Kumar has also submitted an amendment. He told me that all big parties in Karnataka whether Congress or B.J.P., all these parties have demanded that "Gram Panchayats" should be included as far as Karnataka is concerned. He further told me that with the exception of ruling party over there, people belonging to all other political parties are staging a "dharna" in Vidhan Sabha and Vidhan Parishad. I, therefore, feel that it is a very important matter. This creates an impression also that as far as elections to Legislative Council is concerned, the members of local bodies are being denied the "voting" rights deliberately. As such, our party has objection to that we are of the view that the Panch or the Sarpanch of the village should also have the right to vote. It has been argued by some people that in case voting right is extended to all the Panches and Sarpanches, the electoral college would become too large. I would like to submit that we should not be governed by such notions. Those people should be involved in the election to Legislative Council to ensure that they take full part

in the elections of the local bodies. Shri Anand Kumar has submitted an amendment in relation to Karnataka and I have also given notice of an amendment in this regard. We would like that Panches and Sarpanches, with whatever nomenclature in the different States, should be included in the electoral college of Legislative Councils. At the lowest level we have Panchayats and the number of members varies from place to place; it varies from five to seven. I would like to request the hon. Minister to verify as to why this lapse has taken place - whether it is deliberate lapse or it has cropped up inadvertently. Nobody should have any objection if these two local authorities are included and extended the right to vote.

The other point I would like to dwell upon is that wherever the elections are due, they are not held on one plea or the other. This is beside the point whether 'A' wins in the elections or 'B'. But not to hold the election for a very long time means to deprive the people of their right. It means to deny them their voting right. I would like the hon. Minister to give us an assurance that after the Bill has been passed, the elections will be held soon and the people extended the right to elect their representatives.

With these words, Sir, I conclude.

SHRI SANTOSH KUMAR GANGWAR (Bareilly): Mr. Chairman, Sir, though the Bill is a small one, yet it has its own importance. This change has to be brought because of 73rd and 74th amendment to Constitution and I am of the view that this change could have been brought earlier. In the absence of this change, these elections could not be held for such a long time. These elections are generally known as indirect elections. In this connection, I would like to say that, as my predecessors have said, Gram Panchayats should also be included as far as Uttar Pradesh is concerned. Previously, Pradhans had an active role to play in these elections but now under the new dispensation, the Pradhans will have no role to play. In this context, I would like to draw the attention of the hon. Minister to an other point also that there is misuse of money and power in the indirect elections. Everyone knows how the voters are kept indoors, money paid to them, allurements extended and pressure put on them. These irregularities are seen most in indirect elections.

Insofar as electoral reforms are concerned, I would like to submit that though Government is showing keen interest in this regard, it has failed to bring any comprehensive Bill in the House in this connection. The irregularities resorted to in Uttar Pradesh in the elections beggars description. There is much horse-trading in the elections of block pramukhs. Wrong promises are made and votes captured. These problems will crop up during the coming elections. My submission is that proper procedure should be adopted in elections and for this Gram Panchayat units should be included. There are ten to fifteen members in each of the Gram Panchayats

and in this way their electoral college will be formed. If the election takes place amongst 5000 to 6000 voters, the possibility of rigging is certainly less, and in case there is election between only 500 voters, certainly there is going to be rigging. To check this malpractice, it is necessary to include the Gram Panchayats.

Not dwelling upon further in respect of this Bill, I support it, and urge upon the hon. Minister that as far as indirect elections are concerned, it should be ensured that these elections are fair and proper procedure followed in regard thereto.

[English]

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands): Mr. Chairman, Sir, this piece of legislation which the Minister has sought to be passed in this House has created a lot of controversy in the State of Karnataka. As you know, almost all the Parties, excepting the ruling Party, there in the State Assembly, opposed this attempt because thereby more than 85,000 village panchayat members would be deprived of their rights to cast votes in the election for the Legislative Council. As such, here also, the Members from that State, met the hon. Prime Minister and requested to enlarge the scope. What has happened? In the past, there were mandal panchayats and they had the right to cast their votes in the election for the Legislative Council but when this was renamed as village panchayat then, the members were deprived of their right to vote by this piece of legislation. Therefore, I like to oppose this move and request the Government to reconsider this position because under no circumstances, more than 85,000 village panchayat members can be deprived of their rights to cast votes in the election for the Legislative Council.

As such I request the hon. Minister to reconsider this point. Otherwise it will be very difficult for us to vote in favour of this Bill.

SHRI SONTOSH MOHAN DEV (Silchar): I do not know. It was not in the business paper. Yesterday, we were not told about it. I was present in the meeting. We were told about the electoral reforms. You ask the other Members who are here. How come it came in, that I do not know. I have not seen. This is my fault. If you want to do it, please send it to the Select Committee because in Karnataka, there was an impasse for three days. Then I requested the Prime Minister to see our Members of Parliament. Then he did meet them and he said that he would look into it and get it examined. So after that, we do not know anything. How come it came in?

What they have said, the same thing is our point of view.

[Translation]

SHRI SANTOSH KUMAR GANGWAR: I suggest that the Government should refer this Bill to the Select Committee. It is very necessary. The Government shall themselves bring forth an amendment.

[English]

SHRI SONTOSH MOHAN DEV: You send it to the Select Committee. Do not try to do it. If you do not accept it, then we have to vote it out...(Interruptions)

MR. CHAIRMAN: Let us listen to the hon. Minister...

(Interruptions)

SHRI SATYA PAL JAIN: Sir, I have already moved an amendment to that effect. It is not going to create any problem. The amendment is just to remove that lacuna...(Interruptions).

MR. CHAIRMAN: Let us come to that stage.

(Interruptions)

MR. CHAIRMAN: Mr. Minister, please wait. There is another speaker who wants to speak. Shri Sudhir Giri, your name was called. You were not present in the House.

SHRI SUDHIR GIRI (Contai): Yes, Sir, I was absent at that time. I am sorry.

SHRI SUDHIR GIRI : Mr. Chairman, Sir, Bharat can be proud to be the largest democracy in the world. But muscle power and money power are the two factors which have spoiled the electoral process in our country. So, to give a direct path to the electoral process, different Committees were set up, different seminars were held, mainly the Goswami Committee ...(Interruptions). No, I am coming to that. (Interruptions). I am sorry, Sir, I wanted to speak on Item number 20. Since this is a discussion on item number 19, I am resuming my seat.

MR. CHAIRMAN: Mr. Minister.

SHRI RAMAKANT D. KHALAP: Sir, I will make a short statement. In the Statement of Objects and Reasons it is mentioned and I quote:

"Consequent to the coming into force of the Constitution (Seventy-third Amendment) Act, 1992 and the Constitution (Seventy-fourth Amendment) Act, 1992, the States of Karnataka and Uttar Pradesh had amended the laws relating to the local bodies. The State of Karnataka has recommended that for the existing entries in the Fourth Schedule to the Representation of the People Act, 1950, the entries namely..."

They are now in the Schedule. Similarly, the Uttar Pradesh Government recommended that the entries as shown there be included in this Bill. So, basically this has come as a recommendation from the concerned State Governments. But since this issue has been raised by various Members of the House, what I would request, Sir, is that if the House permits and the Chair permits me, the consideration of this Bill could be deferred for about two or three days. Then, we can take the opinion of different sections of this House and come back to the House...(Interruptions).

SHRI SATYA PAL JAIN: We have no objection to that. Kindly seek the opinion on two points.

Firstly, whether the lowest unit, Gram Panchayat, should be included or not.

Secondly, there is a doubt. Under the Seventy-third Amendment, a Member of Parliament is an ex-officio Member of the Municipal Corporations/Committees. I would like to know whether the M.P. and the M.L.A. will also have the right to vote in the elections or not. This issue should be clarified from the hon. the Prime Minister. I would like to request the hon. Minister that he may call a meeting of the Leaders of all the political parties. They may sit together and sort out the matter.

SHRI RAMAKANT D. KHALAP: Sir, I accept the suggestions of the hon. Members.

SHRI SATYA PAL JAIN: On the above mentioned points, you may kindly seek the clarifications by calling an all Party meeting.

SHRI RAMAKANT D. KHALAP: There is no prestige involved in this. We shall execute whatever is in the interest of the country.

Sir, if the Chair permits, we may defer this for about a couple of days.

MR. CHAIRMAN: We shall take it up later on.

SHRI SONTOSH MOHAN DEV: We do not mind. What is the procedure? It is the property of the House and not of the hon. Minister. The desire of the House is there. I think, he should ask for leave to postpone it...(Interruptions)

MR. CHAIRMAN: I think he is not withdrawing the Bill.

SHRI SONTOSH MOHAN DEV: Then what is he doing?

MR. CHAIRMAN: What I have understood is that he wants postponement of discussion on the Bill.

SHRI SONTOSH MOHAN DEV: Do the rules permit that and, if so, to what extent? They should not create another impasse. Let them do it in a proper manner. What is the procedure? Is the postponement allowed?...(Interruptions).

MR. CHAIRMAN: I think he is not seeking the withdrawal of the Bill. The Bill is the property of the House. If it is to be withdrawn, it is to be withdrawn on the basis of the leave of the House to withdraw. But that is not the case. The case is that the hon. Minister wants, and many Members of the House also want, that the consideration of this particular legislation be postponed for some time...

(Interruptions)

SHRI SATYA PAL JAIN: Hon. Chairman, Sir, the other day also we deferred the consideration of the Construction Workers Bill...(Interruptions).

MR. CHAIRMAN: Anyway, there is no objection to it.

SHRI SATYA PAL JAIN: Let it be deferred till next week so that the amendments come in time. It may not

be deferred for years together. It should be time-bound. Let it be deferred for a week's time.

SHRI G.M. BANATWALLA: Sir, I am sorry to say that this is a sad reflection on the part of the Government. This is the second Bill, the consideration of which is getting postponed and the House is being taken for a ride. The Government must properly study the things before they come here. This is not the way. So many terms I have passed here in this House and now I find again and again the Government sleeping on the matters and then suddenly waking up to realities. They must do their home work properly. The consideration of which Bill is now going to be adjourned? This is the second Bill in one week, the consideration of which is now going to be adjourned. They do not study the things properly. I do not know how they come before the House... (Interruptions). This is, of course, a good Bill and I support it. But I say that the Government ought to have taken care of all these things.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): Sir, Shri G.M. Banatwalla is a senior Member of this House. With deference to the wishes of the hon. Members, we are deferring this item which has been listed in the agenda today. It is not that the Government has not applied its mind. The Government has applied its mind. But with deference to the wishes of the hon. Members, we are postponing it and we are taking up the second one. The difficulty with the second one in the secretariat is that the hon. Speaker allowed the amendments up to one o'clock. The amendments are yet to be circulated. They have not been circulated as yet. That is why I am requesting the Chair that we can go to the next item, that is, the Statutory Resolution. The electoral reforms have been agreed to by all political parties. Immediately after the amendments are circulated, we shall take up the Electoral Reforms Bill. This is precisely the point. I hope, Shri G.M. Banatwalla will appreciate this position.

[Translation]

SHRI SANTOSH KUMAR GANGWAR: Mr. Chairman, I object to it. It was decided at 10pm. That amendments will be accepted upto 12 Noon. Then, why have they not been circulated? It is there in the list of Business.

[English]

MR. CHAIRMAN: We shall check it up.

[Translation]

SHRI SANTOSH KUMAR GANGWAR: Mr. Chairman, we had come prepared for item No.20 and not for 21 or 22.

[English]

MR. CHAIRMAN: We are prepared for all the items which find place in the List of Business. Anyway, let us wait for the circulation of the proposed amendments.

SHRI SRIKANTA JENA: We can take up the discussion. In the mean time, the amendments are being circulated... (Interruptions).

MR. CHAIRMAN: Please make up your mind.

SHRI SRIKANTA JENA: We are ready, Sir. The only point is that the discussion can be started and the amendments are being circulated.

SHRIMATI GEETA MUKERJEE: Sir, the confusion is because one sheet was circulated. That is really a technical mistake... (Interruptions).

16.00 hrs

SHRI RAMAKANT D. KHALAP: Sir, I beg to move:

"That the discussion on the Representation of the People (Amendment) Bill, 1996 be postponed for the next week".

MR. CHAIRMAN: The question is:

"That the discussion on the Representation of the People (Amendment) be postponed for the next week".

*The motion was adopted.*

16.01 hrs.

## REPRESENTATION OF THE PEOPLE (SECOND AMENDMENT) BILL

[English]

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): Sir, I beg to move:

"That the Bill further to amend the Representation of the People Act, 1950, and the Representation of the People Act, 1951, be taken into consideration".

Mr. Chairman, Sir... (Interruptions)

SHRI G.M. BANATWALLA (Ponnani): Sir, where are the amendments?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): They are coming. They are being circulated. They are on the way... (Interruptions)

SHRI G.M. BANATWALLA: Sir, we are discussing this without knowing what the amendments which the hon. Members are going to bring? ... (Interruptions)

MR. CHAIRMAN: I am told that some hon. Members have already got the circulated amendments.

SHRI G.M. BANATWALLA: They are fortunate. But what have we done? Why is this distinction between certain Members receiving them and certain Members not receiving them? What a confusion in this House? ... (Interruptions)



SHRIMATI GEETA MUKHERJEE (Panskura): Sir, please listen to me. There is no confusion. Yesterday, the whole night, many speakers wanted to speak on the Railway Budget. Many members decided that they need not listen to the others. Those are the members who are in the confusion... *(Interruptions)* Therefore we should not say like that. Because it became so late that some Members wanted the permission that the time for giving amendments be extended and that is why it was extended. That is why the amendments are coming a little late. It is not just that the Government is working in a peculiar way... *(Interruptions)*

*[Translation]*

SHRI I.D. SWAMI (Karnal): Mr Chairman, this matter came up in the morning also. We were told to get them from the counter. When we approached the counter, they were not there. They were not there yesterday day before yesterday and not even today.

*[English]*

SHRI SRIKANTA JENA: Mr. Chairman, Sir, this is not the first time that during the course of the discussion of a Bill also amendments are being allowed by the Chair. We can proceed with the discussion. The amendments can come. The Minister is just making a statement as to why this House should consider this Bill. You just listen to it... *(Interruptions)* The amendments are coming. If you have any amendments also, the Government is open for them. It is a unanimous Bill. It has been accepted by all political parties. It is your property. It is not that the credit has to go to the Government. All of us have put our heads together and we have decided to bring these electoral reforms. That is why, I request that the discussion may start now... *(Interruptions)*

SHRI SONTOSH MOHAN DEV: Mr. Minister, nobody is objecting to it. But how could you guarantee that in the course of the discussion of the amendments will reach here?

SHRI SRIKANTA JENA: They will reach you.

SHRI SONTOSH MOHAN DEV: You give that assurance... *(Interruptions)*

MR. CHAIRMAN: I have been told that some amendments have already been made and circulated. The others are in the process of being circulated... *(Interruptions)*

SHRI MADHUKAR SARPOTDAR (Mumbai North-West): Not a single copy of the amendments has, so far, been circulated... *(Interruptions)*

MR. CHAIRMAN: The Office is ready to circulate the amendments in English. But in Hindi it is not yet complete

*(Interruptions)*

DR. SATYANARAYAN JATIA: I have given amendments in Hindi.

MR. CHAIRMAN: You will get them also. Let us agree to it. Let the hon. Minister start now.

SHRI RAMAKANT D. KHALAP: Mr. Chairman, Sir, it is a very important Bill which is coming to the House for consideration. Sir, the Government is committed to electoral reforms with a view to purifying and strengthening the electoral process. The Common Minimum Programme of the Government mentioned a commitment that a Bill on electoral reforms reflecting the consensus already arrived at will be introduced in the first Budget session of the Eleventh Lok Sabha.

With the introduction of the Representation of the People (Second Amendment) Bill, 1996, my Government has fulfilled this commitment.

The hon. Members may be aware that the Government has held a meeting with leaders of various political parties on 23rd July, 1996 and provisions contained in the Representation of the People (Second Amendment) Bill, 1996 are based on the consensus arrived at this meeting.

Government recognises that electoral reforms is a continuous process and it shall be the endeavour of our Government to implement such further proposals on electoral reforms on which consensus emerges from time to time among various political parties. Towards this end, we propose to hold another meeting with leaders of various political parties in the near future.

I will go to briefly explain clauses of this Bill. Clause 1 is the short title and commencement clause. Clause 2 seeks to enhance the punishment for breach of official duty in connection with the preparation of electoral rolls etc. from existing punishment of fine upto Rs. 500 to imprisonment for a term which shall not be less than three months but which may extend to two years and with fine. Clause 3 seeks to provide that a person convicted of an offence punishable under Section 2 or Section 3 of the Prevention of Insults to National Honour Act, 1971 shall be disqualified for a period of six years from the date of such conviction.

Clause 4 seeks to provide statutory backing to the Observers appointed by the Election Commission. At present, the Observers appointed by the Election Commission to watch the conduct of elections do not have any statutory backing. The Observers are also sought to be empowered to direct the Returning Officer in the constituency to stop counting of votes at any time before the declaration of the result or not to declare the result if he is of the opinion that booth capturing has taken place at a large number of polling stations etc. or where the ballot papers are unlawfully taken out of the custody of the Returning Officer or are tampered with. In cases where the Observer directs to stop the counting of votes or not to declare the result, he shall report the matter to the Election Commission and the Election Commission shall issue appropriate directions under the provisions of the Act. This clause thus enables

Observers to immediately take action in the event of booth capturing etc.

Clause 5 seeks to reduce the minimum time between the last date of withdrawal of candidature and date of poll from 20 days to 14 days. The measure is intended to reduce election expenditure on campaigning. Clause 6 seeks to prohibit the nomination of a person as a candidate for election in more than two constituencies of the same class. This clause also seeks to provide that a candidate not set up by a recognised political party would not be deemed to have been validly nominated for an election unless his nomination paper is subscribed by ten electors of the constituency. Clause 7 seeks to increase the existing amount of security deposit by candidates for election to Rs. 5,000 and if the candidate belongs to Scheduled Caste or Scheduled Tribe to Rs. 2,500.

Clause 8 of the Bill seeks to provide that names of candidates are listed in the list of contesting candidates in the following order.

(a) Firstly, the names of the candidates set up by the recognised political parties.

(b) Secondly, the candidates of the registered political parties, and

(c) Thirdly, the independent candidates and that the candidates in each category would be arranged in an alphabetical order.

Sir, increase in the Security deposit, requirement of ten proposers in case of candidates not set up by recognised political parties and listing of independent candidates in the last on the ballot paper are the measures intended to discourage non-serious candidates from contesting elections.

Clause 9 of the Bill seeks to provide that the election shall not be countermanded even in case of death of a candidate belonging to a recognised political party and in such a case, the election shall be adjourned to a date to be notified later. The recognised political party whose candidate has died would be allowed to nominate another candidate for the said poll within seven days of issue of a notice to it by the Election Commission to nominate another candidate.

Sir, this proposal alongwith the proposal to reduce the minimum campaign period to 14 days would help in reducing the election expenditure.

Clause 10 of the Bill seeks to amplify the existing provision relating to prohibition on holding of public meetings during the period of 48 hours ending with the hour fixed for conclusion of poll with a view to prohibit during this period even other forms of electioneering. Clause 11 seeks to enhance the existing punishment for disturbance at election meetings from imprisonment upto six months or with fine which may extend upto rupees two thousand or with both. This clause also

makes the offence a cognizable one. Clause 12 seeks to enhance the penalty for illegal hiring or procuring of conveyance for free conveyance of electors to any polling station from the existing punishment of fine upto rupees one thousand to a punishment with imprisonment which may extend to three months and with fine. Clause 13 seeks to prohibit any person other than those specified in this clause to go armed within the neighbourhood of a polling station. Clause 14 seeks to substitute the word "fraudulently" with the word "unauthorisedly" in section 135 of the Representation of the People Act, 1951 with a view to amplifying the scope of offence of unauthorised removal of ballot paper. Clause 15 seeks to make the penalty for the offence of booth capturing more stringent. At present, the penalty for the offence of booth capturing in case of a person other than a Government servant is imprisonment for a term of not less than six months but which may extend upto two years and fine and for a Government servant the penalty is imprisonment for a term which shall not be less than one year but which may extend upto three years and fine. This clause seeks to enhance the penalty to not less than one year but which may extend to three years and with fine in case of a person other than a Government servant and for a Government servant to imprisonment for a term which shall not be less than three years but which may extend upto five years and with fine. The offence of booth capturing is also being made cognizable. The offence of booth capturing is also being sought to be amplified in its scope by changing certain expressions in the 'Explanation' to section 135A of the Representation of People Act, 1951 which specifies the offence of booth capturing.

Sir, the clauses 11, 13, 14, and 15 of the Bill are intended to reduce the use of muscle power in elections.

The clause 16 of the Bill seeks to provide for grant of paid holiday to employees in any industrial undertaking or establishment on the day of polling. In case of contravention, the employer would be punished with a fine which may extend upto rupees five hundred. This clause also provides that no spirituous, fermented or intoxicating liquors or other substances shall be sold, given or distributed at any hotel, eating House, etc., within a polling area during the period of forty-eight hours ending with the hour fixed for the conclusion of the poll for any election in that polling area. The clause also provides for punishment for its contravention. Clause 17 seeks to provide for holding of bye-elections within six months from the date of occurrence of the vacancy except when either the term of the vacancy is less than one year or the holding of bye-elections within said period is difficult.

Sir, as the proposals contained in the Bill are non-controversial in nature and consensus amongst political parties already exists on these proposals, I am sure that the Bill would receive unanimous support of the House.

I may also add that this Bill is based on the Dinesh Goswami Committee recommendations. It has also taken into consideration the recommendations made by the Congress Party. They had also moved certain Bills in the past. We have resorted to consultations among all political parties. The credit for this Bill does not remain exclusively with the United Front Government. But the credit goes to all the parties in this House. The credit also goes to the Press, who have been speaking about this. The credit also goes to the public in general. This is only a first step towards bringing a comprehensive electoral reforms Bill. It is only a beginning. I would, therefore, request the hon. Members that what has been started on a good note be accepted by this House and whatever is required to be done further in this aspect shall be done very shortly.

Sir, with these words, I commend the Bill for the consideration of the House.

MR. CHAIRMAN : Motion moved:

"That the Bill further to amend the Representation of the People Act, 1950, and the Representation of the People Act, 1951, be taken into consideration."

16.15 hrs.

SHRI SONTOSH MOHAN DEV : At the very beginning, I convey my gratefulness to Dr. Jayanta Rongpi. As per the convention, he should have been the first speaker. But since I am doing it, I take the liberty of taking his permission, subject to your approval.

The hon. Minister in his speech has admitted that the purpose of this Bill is to purify the electoral reforms system. Purification is necessary when there is adulteration. He himself admits it.

The first and foremost point is India is one of the biggest democracies in the world. We can feel proud of that. The Indian electoral system, when compared to the systems of our neighbouring countries like Pakistan, Bangladesh and Nepal, is still one of the best. There is no doubt about it but experience shows that corrective steps should be taken. This was felt by all political parties for the last 10 or 15 years. Time and again, the Election Commission has made various norms and recommendations. Government after Government had deliberations with various political parties, national and regional. There was some unanimity. There was some area of objection. Some electoral reforms were done by Ordinance with the consent of various other parties for reducing the period from 21 days to 14 days. When there was an election in Assam, there was a total boycott by the Assam youth, AASU. Now our friends from AGP are Ministers are Ministers. At that time, electoral officers and counting agents from outside the State were sent there. So, many of these things happened. Our other friends will speak on the Bill. I will not go much into that.

Today in the morning, we had a meeting of our party. There was a total revolt in the party against us.

We have expected this Bill to be passed today. This is only because of two reasons. Shri Srikant Jena knows that there is beating of the drum by the local United Front partners to announce that "We are bringing a Bill and we are fulfilling a pledge." This is your pledge supported by us. Today in the morning, I asked Shri Atal Bihari Vajpayee and he also told me that "We are going to support it." Let us share if there is any glory and if there is anything wrong, let us share that too. Though we will accept the Bill, many of our Members will give certain suggestions. Have an open mind because we have accepted in All Party Leaders' discussion, but the basic idea of this Bill is to have electoral reforms.

So, whatever proposals come from this side or from that side, have an open mind on all of them and then take a decision. Do not be in a hurry and do not make it a prestige issue that what we have got, that should be done.

The main point which was discussed in our meeting was the nomination papers for national parties. I was present in the meeting. First of all, the national parties like the Congress, BJP and Janata Dal and other parties were recognised by the Election Commission.

Then the registered parties and the regional parties also will come. Then the individuals come. Some hon. Members have opined that it may not have the approval of the law. We were told in the All-Party meeting that the Supreme Court also expressed its opinion about this thing to be done in one of the judgements given by it. The Supreme Court also has wanted that the Government should do something about the non-serious candidates. Here, you are talking about fixing the rate of Rs.10,000 or 5,000 as deposit. Some people say that it should be Rs.10,000 and 5,000 for the Parliament and for the Assembly seats. If it is for the Assembly, some people feel it is too much. They say that there should be different rates for Parliament and Assembly seats. This is one suggestion.

The next suggestion is about the code of conduct vis-a-vis the role of the observers. I do not mean any aspersion to any political party, any Chief Minister, any Congress President or non-Congress President or anybody for that matter. The general feeling is that the power of the observers should be enhanced in such a manner that they can work independently of the State machinery. What happens is this. If an observer lands in any State, it depends whether the Chief Minister is Biju lala or anybody on certain things how he can act along with the officials there. The complaint is that in certain States, the observers are neutral and in certain other States, the observers are handled in such a manner that it becomes difficult for them to work. I do not want to elaborate this point here. There will be a lot of problems here if I elaborate on it. I do not want to bring here any particular State or any particular region.

The second point is this, our experience shows that though counting is supposed to be done neutrally and

independently, yet, unfortunately, counting is not done so that way. It happens that in a State if 40 seats are owned by a party, an atmosphere is created all over the State that the other seats are taken on counting not on the basis of polling. So, while counting is done, rigging must be stopped. More rigorous rules should be made. It has happened in certain States. To cite an example, a terrorist had taken control of the agent of the counting centre and the candidates of the recognised political parties, and the candidates were thrown out of the counting centre. It happened. From our experience we tell this. The Press and the Radio declared that the total polling in such and such a district is 50 per cent. But when the results came, it reflected 70 per cent. Where from the 20 per cent votes came? Nobody knows about it... (Interruptions) why? I am not talking of any political party. But it is happening. Since the hon. Minister is bringing forward reforms, he should take care of these things. He must do it now. We want an assurance that the suggestions that will come from the hon. Members would be taken note of and circulated. Also, he should have an All-Party meeting and take decisions whereby he can say that the Government is having an open mind; it is for better reforms and better performance.

In our meeting, it has been told that there should be some rules. The other day, it was stated that if you want to debar a candidate from participating in the elections in future, the percentage of votes polled by him should be taken into account. If it is 10 per cent or five per cent, he should be debarred. Then the question came, and very rightly, that in such an election even the winning candidate can get 500 votes. It happened in Assam. Somebody became a Minister who got just 284 votes.

It happens sometimes. That has been deleted. That is a good thing.

Next is the voters' list. Mr. Khalap, the point about the voters' list is very very important. Voters' list is done through certain process. But our experience is that just 48 hours before the elections, 500 names are deleted from the voters' list and it is said that it is the power of the electoral officer. The power should be exercised as per rules. When the final voters' list is published, after that, there is no authority left to delete the names from the voters' list whether it is the Election Commissioner or the district officer. Even if there is a mistake you cannot count it. In the process, even a voter who has stood for election, sometimes his name is being deleted. They say, "no, no, your name is valid but other 500 persons name is deleted." We have to do something on that.

Then I discussed it the other day I specifically mentioned it to Shri Biju Patnaik. I was incharge of the Orissa elections and we had a lot of problem in organising meetings of the VVIPs. Shri Biju Patnaik was kind enough and told me to go ahead. He instructed the Deputy Magistrate and others to give chance to other

political parties. It is his magnanimity. But what happens? Sometimes it becomes difficult to organise meetings. The Election Commission sometimes says that you cannot take people with you in the meeting. The moment they say that vehicles must not be used, that the candidates cannot come on the dais. What does the political parties like the CPM say. Look here the candidate is not liked by the Prime Ministers. That is why, he has been asked to get down and sit there. The terror is so good, they spread it. This is not proper.

Next is the use of aircraft. The say, the Prime Minister can use it, others cannot use it. The Chief Minister can use it but not the Government aircraft. You have to take permission. My point is that leaders of national stature or the local or State leaders can use Government aircraft on payment. Why does the Election Commission say no to it? It says, you have to give the same aircraft to other parties. I become the Chief Minister elected by my people and not by the Election Commission or anybody else. The other person has not become the Chief Minister or the Prime Minister, why should it be given to him. So this is one area you have to do.

The most important thing is that you have brought the power of the observer. We demand that this should be done. Suppose a person loses by fifty votes, then recounting is not allowed. But if a person loses by 5000 votes, recounting is allowed. What is this? Individual presiding officer is taking decision on this count. We suggest that there should be some limit. If anyone loses by less than 500 votes or 10 000 votes, if he wishes, he can demand a recounting. A fights an election after fighting and toiling hard for five years. And he goes back to his House by not being satisfied, if there is a recounting. But if you do not want to fix the limit as 5000, you can fix it at 3000. Some sort of limit should be there whereby he gets a justice from the election officer.

The last point is a very controversial point. I do not know whether it will be allowed or not.

There is a division in each party on that, that is counting by making a cocktail of ballots. In the case of drinks you mix different drinks, it becomes cocktail. Here what you do is, each vote is not counted independently. It is brought together, mixed together and then counting is done. There is a feeling that this is a good method especially because Harijans and Girijans are saved from various sorts of atrocities after the elections. But some others feel that it gives a chance to very powerful political parties with good powerful Chief Ministers to change the boxes at night, mix them and bring them to the counting centres. It is a fact. It happens in many an election at many a time. It may not happen in Kerala, but it happens in certain parts of the country and various cases are also pending in this regard. I totally do not support the idea that mixing should not be done. I also agree that we should take care of Harijans and Girijans.

Prof. Madhu Dandavate once told me that when he was in Government he went to Belchi as a Minister of

the Janata Party Government. When he landed there and asked the people as to what happened and how it happened, they said that after 40 years for the first time they had voted and this was the reward they had got. This is not my statement; this Prof. Madhu Dandavate's statement. He personally told me when we were committee members.

Once I went to Bullandshahar in one of the by-elections. I visited a village. People refused to talk to us; they were afraid. They looked right, left to find out whether anybody is seeing, whether they are talking to a particular political party. So, I have some reservations. But I feel that the result of all the points which have culminated in today's meeting and in the meetings of other political parties is that it needs a serious discussion. The Law Minister, the Minister in charge of elections and others should meet the Members of Parliament of all political parties and listen to them because they are very very experienced people and they have certain good suggestions. I am not threatening you, Mr. Jena. We have with great difficulty made our party leaders sit and agree to what you are bringing today. So, please take it as a success of all the efforts of all of us, not just yours. There is a criticism in the Congress Party that if anything good happens, the credit goes to the United Front and if anything bad happens, the Congress and perhaps the BJP will be held responsible. That should not be the case. You should consider that if 140 and 160 which becomes 300 combine and come together, all of you are out. So try to build up a consensus. Consensus does not mean forcing decision. Consensus means looking into the interests of the nation and all national political parties will cooperate with you. I confess that I went to Vajpayeeji. I asked him whether he is supporting the Bill. He said 'yes Sontosh, we are supporting.' They also have reservations. They want further reforms, for example, State funding. You have to decide in future. Since we are not against it, if you can fund the elections, it is good. But to what extent? Some people say only ballot papers or voters list should be given. Some others say four mikes should be given. This is nothing.

Another point raised today by one of the Members very correctly is that accounts is one thing, fighting election is another thing. Every night if I have to satisfy the Election Commission by writing down my accounts and then go to bed and the next day if the Election Officer asks where is the candidate, I feel this is too much. My first consideration is to campaign and win.

It is not to satisfy the election machinery. They should be very clear about that. They can see my accounts fortnightly or monthly. But why do I have to produce my accounts before the electoral Inspector everyday after election? Some inspectors are good; some inspectors are very bad, some are amiable to certain things. This is not proper. Experience has told us that not everything is good.

Lastly, I should say that there is nothing wrong if Observers and such others get accommodation in circuit

Houses. But it should not be that an officer of the rank of a Joint Secretary stays in a VVIP room whereas a leader like Shri Vajpayee or Shri Advani or Shri Patnaik or Shri Gowda stays in room No.5. The people in-charge of the circuit House just say, 'I am sorry, Sir. He is an observer.' I went to Orissa at the time of the elections. I went to a guest House in Kalahandi. I was not allowed to enter a room because Observers were staying in that room with TV and such other facilities. So, I had to stay in the varandah. To my utter surprise, a man whom I brought in as a Joint Secretary in my Ministry was sitting inside that room and I was sitting outside in the varandah. That gentleman came to me and said, 'Sir, I am sorry that I have not see you. Now, I am going inside the room because if somebody sees together they would say that this officer and Sontosh Mohan Dev have cooked up something. This is too much.'

The Election Commission: I must say, with Shri T.N. Seshan and the two other Election Commissioners has done a good job. I was one of the persons who used to criticise them initially.

When I went to Karnataka during the elections, I was unhappy to see that posters were not allowed to be posted on the walls. I thought that the percentage of polling would be very poor because of that. We lost the elections there. I do not mind that. But I was surprised to see that there was sixty per cent to eighty percent of polling. People have liked the elections, but there is a limit to strictness.

I was in Austria. I went there when I was a Minister. There were elections at that time. In every road, their Government puts up some temporary boards and for each political party a certain space is given. They can paste their posters there. But what do we do here? In Calcutta, they say, 'All the walls have to be defaced by tomorrow and if you do not do that, I shall see that...' (Interruptions). Again, I have seen in Australia that when there are elections the Government erects the rostrum and the candidates give their speeches. Well, it is good. Of course, the crowd has to be brought in by you, not by the Government.

We are supporting this Bill. But it is qualified support that we give, in the sense that we accept what is brought in today but unless you give a commitment to us that you are going to bring in a comprehensive Bill. We are willing to support it.

The next point is this. Do not beat your own drum. Try to beat everybody's drum. You wanted to do this before the Kashmir and Uttar Pradesh Elections. Hon. Members must note the argument given by the Government and the Home Secretary that last time there were 40,000 candidates for 500-odd seats. So, they wanted to stop the non-serious candidates from contesting. That is why, when we wanted to bring in this Bill, our Members asked us what the hurry was. The hurry is only because in Kashmir there is a law and

order problem. If the candidates are genuine, there would be less pressure on the security forces.

There will be less pressure on the security people. That is why we are cooperating. But our cooperation should not be taken as our weakness. Our cooperation should be taken as our honest effort to keep you alive, to keep the democracy alive and to see that good things happen, so, with this, I am giving my support.

Since I was going, I thought, I should speak. I gave a message to my people behind that we were supporting it. But the suggestions that will come will not come with the intention of stopping your will. Hon. Members like Mr. P.R. Dasmunsi are there. They are very experienced. They are wounded soldiers. Listen to them.

Hon. Members from other parties will also speak. I will suggest that if any amendment is needed, kindly incorporate it. With these words, I support this Bill. I again thank my friend, Mr. George. This is how we will cooperate slowly and slowly.

[Translation]

SHRI SATYA PAL JAIN (Chandigarh): Mr. Chairman, Sir, while speaking on the electoral reforms Bill, though Shri Sontosh Mohan Dev has not threatened the Government, yet he has definitely issued a warning. Two incidents have taken place today because of which Government's position has become slippery as far as parties extending cooperation to the Government are concerned. I feel that the Government should be conscious of it and the people of the country are also becoming conscious as to what turn the national politics can take in the days to come.

For some days past, it was being reported in the press that the Government would bring a comprehensive Bill regarding electoral reforms. We were happy because if there is any single political party unanimously seized of the electoral reforms with consistency, it is Bharatiya Janata Party. Hon. Lal Krishna Advani and other hon. Members of Dinesh Goswami Committee on electoral reforms made commendable contribution in the deliberations of this Committee. Thereafter 14-page recommendations were submitted by the Committee. From these recommendations, it appeared that when Government would bring a Bill on electoral reforms, it would incorporate all the recommendations based on the consensus of all the parties but it appears from the perusal of the Bill that the Government has included far less of these recommendations. We are supporting the Bill because we want the electoral reforms. But these reforms are too less to suffice. As has been said that the elections are due in Uttar Pradesh and Jammu & Kashmir and Government would like to take some steps before this; We are of the view that all these steps are remarkable. I would like to bring some points to your notice on which almost all the political parties are unanimous but even then other points have not been included in the Bill. Dinesh Goswami Committee had

elaborately discussed the need for State-funding of elections and had taken up four points in this regard on which all the parties were unanimous. There should not have been any difficulty to incorporate this recommendation in the Bill because in our view black-money is the main cause of corruption engulfing our country. The ever increasing misuse of black-money in the elections is posing great danger to the country. This is a fact that nobody wins the elections to become Member of Parliament within the ceiling fixed for expenses in this regard. But this is also a fact that in case you adhere to the limit honestly, the other person contesting elections against you can pose such difficulties before you that you would be looking hither and thither to find some way out. One might stand in the House and claim that he has won the election with honest means, but I know the fact. I am a lawyer by profession. I have been fighting election-petitions of the people and would be doing the same in future also. I know how a way out is found in this connection. When we talk in this House, it will be better if we talk honestly. There are some weaknesses and everybody is subjected to them without any exception. So, we were hoping that State-funding would also form part of the Bill. But the Government has not done so.

The other point I would like to touch upon is that the accounts of political parties should be audited. Action should be taken against the political parties not maintaining their accounts. This point has also not been included in the Bill.

Mr. Chairman, Sir, it has been said in the Dinesh Goswami Committee Report and Shri Sontosh Mohan Dev has also attended to it, that the electoral officer would be a full time officer. In case you appoint an officer of some State as an electoral officer and the Chief Minister of that State seems to continue for a long time and where it appears that the party of that Chief Minister will win again, in such circumstances, the I.A.S. Officer cannot work with the required extent of independence. You may grant him autonomy for some days but even then he will not be able to do full justice to his allotted job. The electoral officer should, therefore, be a full-time officer. There had been a reference to reservation for women. All parties are unanimous about it. The ruling party is speaking of reserving 33 per cent seats for women. There is no reference about it in the present Bill although the ruling party had approached their Government some days back for this: Photo-identity cards have been introduced. This has received an all-round welcome. But this has also been relaxed many often. We are of the view that the sooner this rule is implemented fully, easier it will be to check impersonation and booth-capturing.

Mr. Chairman, Sir, the Dinesh Goswami Committee had recommended that the age of a candidate contesting the election should be reduced from 35 years to 25 years in case of Rajya Sabha and in case of Lok Sabha

it should be reduced from 25 years to 21 years. This also does not find any place in the Bill.

Mr. Chairman, Sir, the election petitions filed as a result of disputes in elections, linger on for one year to five years in the courts. There are no two opinions about this point amongst the political parties. Then, after that...

[English]

As a matter of right, you can file an appeal to Supreme Court under Section 116 of the Representation of People Act. Once you file an appeal in the Supreme Court, it will automatically be admitted and a conditional stay will be given saying that, 'you are entitled to mark your presence but you cannot participate in the proceedings of the House. You can claim TA/DA, but you cannot vote and all that'. This is a routine order and any court will sign and pass this order to you. By the time the case will be decided, the five year period will come to an end. I know of certain election petitions which are not yet decided even on preliminary issues. Therefore, there was a suggestion in Dinesh Goswami Committee Report that for the trials of the election petitions, adhoc judges should be appointed and they should be asked to complete the trials within six or nine months or within one year. There is nothing of that sort in the present Act.

All the Members, MLAs and all the political parties are very much concerned about the Anti-Defection Act. There is a very vague clause in it and that was also considered by Dinesh Goswami Committee one clause says, 'If there is a split in the party and the split is supported by one-third of the Members, you are saved from disqualification'. What do you mean by the word 'split', whether it is a split in the original political party - the party which has given you the ticket and got you elected - or it is a split in the legislature Party? What is happening is, if five Members out of 15 from a particular Party - who are elected to Lok Sabha or Vidhan Sabha - decide to join a particular group and form a splinter group, without there being a split in the original party, they will form a party and support another group. But that was not the intention. Unless there is a vertical or horizontal split within a political party, which is the original party and which elected you, you cannot say that there is a split in the Party. Even one-third of the MPs or MLAs defect from one Party to other political Party. There is no proposal to amend this clause. In many States, no proper rules have been framed under the Anti Defection Act. They are very important but no attempt has been made to frame these laws.

Now, I will talk about polling and counting. Shri Sontosh Mohan Dev has very rightly pointed out that there are certain defects in it. Under the existing law, even if you lose security deposit, you can get yourself elected to the legislature because for losing security deposit you must get less than one-sixth of the total votes polled. But there is no limit to win the election. The hon. Member was talking about certain other States. In my own State, Punjab, in the last Assembly elections,

from one particular constituency a person was elected as MLA by getting 419 votes and the same person became the Minister also in that Government. The same fellow could not be elected even as a Panch in the Panchayat. Akali Dal had boycotted the elections and because of that people did not come to cast their votes, especially in the rural areas. In the urban areas there was a good response. So, in Late Sardar Beant Singh's Government, only 10 per cent of the votes were polled and they won about 87 or 89 seats. You may forget as to who won, whether it was 'A' who won or 'B'. This is not the issue at the moment. There is no check under the existing law. I feel, we should resolve even if repolling has to be done that unless somebody gets more than 50 per cent of the votes polled, he should not be declared elected. This clause has got to be examined. Supposing, in a particular constituency nobody has crossed that stage, you may order repolling. Let there be repolling among the top two. Let the people choose from the top two. I think, these are the clauses which need to be examined.

SHRI B.K. GADHVI (Banaskantha): Why can't we have an amendment that only registered party can elect the elections?

SHRI SATYA PAL JAIN : You can move that amendment.

There are various clauses in the Bill and I would like to clarify the stand of my Party on certain clauses. I will refer to Page 3, Clause 6 of the Bill, which says:

"Provided that a candidate not setup by a recognised political party, shall not be deemed to be duly nominated for election from a constituency unless the nomination paper is subscribed by ten proposers being electors of the constituency."

I would like to bring to the notice of the House one lacuna that is there in this clause. In the Nomination Form there is no clause for entering the name of the father of the proposer. The Proposer's father's name is not given. Suppose, you got the name proposed by Shri Ram Lal. In politics these things happen. After a few days he may say that he did not propose his name and it is not he but some other Ram Lal who had proposed the particular name. I have come across such an election petition. So, I suggest that the name of the father of the proposer should also be there on the nomination form so that the person who is proposing the candidature should be properly identified.

SHRI B.K. GADHVI : It is there in the electoral roll.

SHRI SATYA PAL JAIN : It is there in the electoral roll, but I am talking about the nomination form.

SHRI ANIL BASU (Arambagh) : In the election form, you have to mention the Part Number and the Serial Number and you have to be very specific about the proposer of that part and the Serial Number.

SHRI SATYA PAL JAIN : But the name of the proposer's father is not there. Therefore, if there are two



persons with the same name in the same village, there may be some confusion. That is why Section 38 says that we have to verify the facts. Let us clarify the things. Let us know as to who is the proposer. In all other nomination forms, be it of panchayats or of Municipal Corporation, the name of the proposer's father is mentioned. I think this should be done here also.

At the moment, there is no limit and even ten proposers can propose the name of number of candidate. For example if a voter wants to propose 10 persons from the same constituency, there is no bar to it. Under the existing law, for a single seat a voter can propose five or ten names.

SHRI B.K. GADHVI : One member can propose only one name. Otherwise, the name will not be registered.

SHRI SATYA PAL JAIN : You may check it. It is not there. It is there in the Gram Panchayats or in Municipal Corporation but for Rajya Sabha or Lok Sabha, there is no such provision. The intention is, one should get the support of ten persons. Even if ten persons are there, they can propose the names of five, ten or twelve candidates. So, you may kindly amend this clause and make it clear that no person can propose more name than the number of persons to be elected. If there is only one seat, you can propose only one name. And, if there are two seats, you can propose two names. These things should be amended.

Now, you may refer to Clause 7. At the moment you have provided that for the same House a person can simultaneously contest from two constituencies. Our Party is of the view that this should not be there. No person should be allowed to contest, for the same House, from more than one constituency. In the present House, there are three national leaders, S/Shri Vajpayeejee, Biju Patnaik and Narasimha Rao who got elected from two constituencies. Now, they have vacated all the three seats. Now, all the process has to be started again. All the expenditure has to be met again. You have to spend lakhs of rupees on elections. A lot of time and energy is also wasted. So, we should resolve that no person should be allowed to contest, for the same House, from more than one constituency. There should be a bar on that.

SHRI ANIL BASU : Whom are you opposing?

SHRI SATYA PAL JAIN : I said that there are three leaders who were elected from more than two constituencies. Our Party is of the view that this should be avoided. This should be prohibited under law. No person should be allowed to contest from more than one constituency.

Clause 8 is about the name of the candidate in the Ballot Paper.

Coming to Clause 8 of the Bill, about the order of appearance of names of candidates on the ballot paper, the Dinesh Goswami Committee had recommended that the names have to be divided into four categories

i.e., the candidates of national level political parties, the State-level political parties, recognised political parties, and then the registered political parties and their the independents. However whereas the Bill envisages only two categories, the recognised political parties and registered political parties and these categories include the State-level parties as well as the national-level parties. It should be clarified here. Names of candidates of the national-level recognised political parties should be printed first and then should come the State-level recognised political parties, and then the registered political parties and after that the independents. If they are printed in alphabetical order, even the name of a candidate of the State-level political party can come on top. The intention is that the voter should be clear as to who are the candidates of the national-level political parties and who are from the State-level political parties etc. These things should be further clarified in Clause 8.

Clause 9, on page 5 of the Bill, speaks about the postponement of election in the case of death of a candidate, but no time limit has been fixed for it. This should be specified. If a candidate dies, seven days' time has been given to the political party to suggest a substitute for the deceased candidate. A specific time limit within which re-election could be held should also be fixed.

As per Clause 17 on page 8 of the Bill, if a byelection cannot be held within the prescribed period, the Election Commission in consultation with the Central Government should certify it. Election should be held first within three months of the date on which the vacancy is caused and if it cannot be held within that time, it can be postponed by the Election Commission. I think to avoid any arbitrariness, it would be better if this Clause is amended by adding here that if the Election Commission feels that it would not be possible to hold election, the Commission shall also give reasons for that. It should not be arbitrary decision of the Commission. By a one line order it should not be said that because the Election Commission is not in a position to do so election will not be held.

Another suggestion which I would like to make is with regard to amendment of Section 98 of the Representation of the People Act. For the knowledge of some hon. Members, I will recall a very interesting fact. In two election petitions, the High Court conducted recounting of votes. After recounting was done it was found that the candidate who was elected had polled votes more than the candidate who lost. However, because under Section 98 the winning candidate did not file a recrimination petition, the Supreme Court and the High Court declared the candidate with lesser votes elected to the State Legislature. There is a dissenting judgement by Justice Sudhanshu Mukherjee in which he said, "We are making a mockery of law".



17.00 hrs.

(MR. DEPUTY-SPEAKER *in the Chair*)

I have seen with my own eyes a candidate who polled lesser votes being announced as elected simply because of technicality that the winning candidate had not filed a recrimination petition which is a counter petition. In that specific case, election of the person who polled more number of votes had been set aside and the person who got lesser votes was declared elected. This, Sir, there is a judgement of Supreme Court in the year 1964. Later on, in Bhagmal case in Haryana the Supreme Court has reaffirmed it. I have been told that it has now been referred to a larger Bench. But any how there is a need to amend that law. I request that this particular Section of the Representation of the People Act be amended to provide that even if there is a recounting, unless a candidate gets a larger number of the valid votes polled, irrespective of the fact whether he has filed the recrimination petition or not, he or she should not be declared elected. I request the hon. Members and the hon. Law Minister to kindly go through that judgement. The hon. Deputy-Speaker might remember it well as it happened in his constituency and the Supreme Court had upheld that judgement and had also said that the Act was defective and so, therefore cannot do anything.

These are the few suggestions that I give on behalf of my party. We appeal to the Government to kindly not to play politics on this issue, these are the issues which go to the root of the matter. Unless corruption is eradicated from the electoral system as such, no reform is going to be fruitful and nothing great is going to come from it. The Bharatiya Janata Party stands for electoral reforms. I request the Government to go in for electoral reforms. So far as electoral reforms are concerned we will give all possible support and we will see to it that the Bills are passed.

With these words, I conclude.

SHRI BIJU PATNAIK (Aska) : Mr. Deputy Speaker, Sir, I will not be able to elaborate all the detailed points mentioned by the hon. Member from BJP. Sir, I have been watching these elections for the past 45 years. I am a little worried because I know what vitiates the elections. I think that the hon. Minister of Law should take note of this for future guidance.

Firstly, can we or can we not make every voter or every vote mandatory, with a penalty clause that if a person, he or she, does not vote being a voter, has to pay a substantive fine? Then you can add to that, to get elected one must have to get 50 per cent votes. Whether a voter is he or she it must be made mandatory that he or she should vote.

Secondly, for somebody to get elected, he must also get 50 per cent of the votes.

Thirdly, when it is talked that we should have State funding, which the BJP has been asking for and many

of us also have also been asking for, it is absolutely imperative that money power has to be curbed totally. I know how much money my friends who are<sup>e</sup> here have spent to get elected. Some of them even take high jump with the money power. They spent cores to get elected to this House. This is an amazing phenomenon. There is no limit, there is no check, there is nothing at all. Therefore, State Funding is a must whether it has Rs.1000 crore or Rs.2000 crore, whatever it is.

For a railway line to Kashmir, we spend Rs.200 crore or Rs.500 crore. I see no reason why for the safety of the electorates, safety and integrity of this elected House or State Legislatures, money cannot be funded. Money has to be found. This is a primary interest for the integrity. Without funding, that cannot happen. There is a chain reaction with the money bags. Money bags come with the money. Every party can take and say that we have to take the money. Money takes a rolling and they take the benefits. Whether it is Orissa contractors or Orissa politicians or whoever it is, who doles out money, gets the benefit. So, if he gives one rupee, he gets the benefit of two rupees from the Government, whatever the powers that be.

When I asked Shri Jena to know the position about the State Funding and the rest of it, he said that this issue can be taken up only at second stage. I said that it is a waste of time to discuss what the hon. Minister of Law has brought us. It is a joke. It does not take the main points. Can the voter be forced to vote or not? A person must get 50 per cent votes for his election—whether he is elected to the State Legislature or Parliament. Can you find State Funding or some other way so that money could be prevented from entering into the electoral process? If this cannot be done, the terrible sickness with which the electoral process is suffering from cannot be remedied.

I would request that the House take up instead of going into the details and legal questions of various sorts, the House should apply its mind to honour two or three points with which alone our democratic process can survive.

SHRI SUDHIR GIRI (Contai) : Mr. Deputy-Speaker, Sir, Bharat can legitimately be proud of its being the largest democracy in the world although illiteracy and backwardness of the people of the land still persisting. Other vices are also there. The role of money and muscle power at elections sometimes is very prominent. Rapid criminalisation of politics greatly encouraged evils of booth capturing, rigging, violence, misuse of official machinery, participation of non-serious candidates etc. This constitute the core of electoral problems in our society. For this purpose various corrective measures have been proposed and some have also been adopted. But our society has not been able to touch the magnitude of the problem as yet. However, various efforts have been made to bring about electoral reforms to some extent. The main effort was the recommendation

of Justice Tarkunde Committee. The recommendations of various Seminars and various groups etc., are also the source of bringing about the rationality and moral sense as far as electoral reforms are concerned.

Last of all, under the Chairmanship of Shri Dinesh Goswami, a Committee was constituted. The representatives of political parties in Parliament also met at New Delhi in 1990. The Dinesh Goswami Committee was formed by the Union Government. On the basis of the discussions held, the main recommendations of the Goswami Committee came out. The main recommendations were that a person should not contest elections from more than two Constituencies. The registration and recognition of political parties as also individual candidates should be there. Regulation of containing the individual candidates who are not serious at all have also been chalked out.

Sir, they have also suggested a Model Code of Conduct. In spite of all these things, political parties and individuals resort to huge expenditure and if such expenditure is not publicly incurred, it is not possible for anyone or even for the Observers to detect how much and in what way such unusual expenditures are being incurred.

So the recommendations of these Committee are being implemented step by step in different States. But in this connection, I also want to point out that certain provisions have been entered into the present Bill. It has been provided that observers will be appointed. It is desirable that observers should be there and they should also be impartial. But in a class-divided society such observers cannot be expected to be absolutely impartial. They are bound to take sides and under such circumstances observers should also be taken proper care of.

Sir, campaigning period has been reduced from 20 days to 14 days. It is a fact that people get political education through political campaigning. If the period of political campaign is reduced, I think there remains the scope of being remained ignorant of the political situation as prevailing in the present society.

Sir, security deposit has been increased and it has been increased, to the extent of Rs 5,000 for general candidates and Rs. 2,000 in the case of Scheduled Castes and Scheduled Tribes candidates, so that non-serious candidates may not take part in elections. The limit an amount is nothing to some people of our society. They can, at their will, incur expenditure to any extent of money that you can imagine. If they incur expenditure behind the knowledge of the people or observers how can we detect them? But there is no provision in this Bill in this regard. It has been amended at page 5, Clause 52 and I quote:

"If a candidate set up by a recognised political party

(a) dies at any time after 1100 a.m. on the last date for making nominations and his nomination is found valid on scrutiny under section 36, or

(b) whose nomination has been found valid on scrutiny under section 36 and who has not withdrawn his candidature under section dies, and in either case, a report of his death is received at any time before the publication of the list of contesting candidates under section 38..."

Here it has been pointed out that on the information of the death of a particular candidate, new process will start but the candidate who has withdrawn his name will not be eligible for participating in the elections.

I would like to give an example. 'A' is a candidate of a political party and 'B' is also a candidate of that political party. 'B' has filed his nomination because in the case of eventualities, if the nomination paper of the candidate 'A' is cancelled, then 'B' will stand there. Suppose before the finalisation of the list 'B' has withdrawn from the picture and the process newly starts, then why should not 'B' be entitled to remain in the picture? This matter should be thought of. I will urge upon the Government to apply its mind in this matter and, if necessary, suitable amendments should be made.

However, on the basis of the consensus arrived at by all the political parties, I also support the Bill.

[Translation]

SHRI GEORGE FERNANDES (Nalanda): Mr. Deputy Speaker, Sir, there are no two opinions about the need of this Bill. But we had hoped that the work in regard to this Bill would be taken up expeditiously and United Front Government would bring a comprehensive Bill. It appears to me that there has been some haste in regard to this Bill. Although some five or six days ago all the political parties discussed this matter for one hour and a half and consensus also emerged in this regard, yet in spite of that consensus, I am of the view that there are some points in the Bill which need amendment. I, therefore, will not speak at present on the reforms to be incorporated in the comprehensive electoral reforms Bill. The hon. Minister has said that a meeting of all the political parties would be held soon again and a comprehensive Bill brought before the House. Insofar as the present Bill is concerned, I have given notices of amendments. In my view, the clauses of the Bill need an improvement and I have shown them in my amendments.

The imprisonment of three months has been substituted by two years in the present amendment whereas in the 1950 legislation, there was a provision of fine of Rs. 500 and imprisonment of three months which could be extended to two years. The provision of one or two months' imprisonment in the Act does not have any effect. There are many people amongst us who had been incarcerated for very long period and not in those jails where we were extended comforts but on the other hand those jails where we had to dig pits etc. We had started labour movement and we were put

behind the laws. We were sentenced for rigorous imprisonment... (Interruptions). Some people even now wish that we should be sent to jail. There is a demand that the Baroda Dynamite case be reopened and we people sent to Jail. But this point is not under discussion at present. We are only talking of jail. Therefore, knowing the jails fully and having spent five years in jail, I am proposing that jail sentence for a month or two has no meaning. If one has to be sentenced, one should be sentenced to rigorous imprisonment and this is why I have come with an amendment. There is a reference of incorporating a new sub-clause in clause 3. It says:

[English]

"Section 2 (offence of insulting the Indian National Flag or the Constitution of India) or Section 3 (offence of preventing singing of National Anthem) of the Prevention of Insults to National Honour Act, 1971."

[Translation]

I have proposed that it should be deleted. This matter came up before Supreme Court some time in the recent past. The case of showing disrespect to the National Flag, i.e., national symbol came before the Supreme Court three years ago. The verdict in this case was that if a person burns the National Flag, he need not be arrested. Now, what was the logic behind that. I do not want to go into that but I want to tell the House that this is the verdict of the Supreme Court and not that of the lower court. In my view, there should not be any difficulty to follow the Supreme Court judgement because today there are such Ministers in the Government itself who had talked of burning of the Constitution itself but this did not cause any harm to the country and it only proved to be the expression of one's anger. Such people will frame laws here and also such people will keep the Government to frame this law who do not at all bother about the laws in the elections. The person might have resolved to burning the Constitution in anger. I, therefore, do not think it proper to deprive that person from contesting the election for six years. This approach does not appeal to me from moral and legal point of view.

I have an objection that a new clause is being added to clause 20B insofar as Observers are concerned.

[English]

"The observer nominated under sub-section (1) shall have the power to direct the returning officer for the constituency or any of the constituencies for which he has been nominated, to stop counting of votes at any time before the declaration of the result or not to declare the result if in the opinion of the observer booth capturing has taken place at a large number of polling stations or at places fixed for the poll or counting of votes or any ballot papers used at a polling station or at a place fixed for the poll are unlawfully taken out of the custody of the returning officer or are

accidentally or intentionally destroyed or lost or are damaged or tampered with..."

[Translation]

I have sought the deletion of the portion coming thereafter.

[English]

"...to such an extent that the result of the poll at that polling station or place cannot be ascertained."

[Translation]

This means that if it does not affect the result, then booth-capturing is justified.

[English]

Only if it is going to affect the result

[Translation]

Then discontinue the counting. But,

[English]

Loot in principle is accepted. Running away with ballot papers in principle is accepted. But do not do it to an extent where it can adversely affect the result of a candidate against whom all these things have been resorted to.

[Translation]

Thus the thing you have provided in the clause does not appeal to me because in this way we are conceding a misdeed. But the misdeed should not be committed to the extent that it culminates in excesses against somebody. This is why it does not appeal to me. I disserve haste in the drafting of the Bill. The Government has, therefore, to reconsider this clause and bring about improvement therein.

As far as canvassing is concerned, you have said about reducing the time from 20 days to 14 days. But here also there is a serious self-contradiction in it. I think, Government has not paid much attention towards this also. You are staggering the election. It spreads upto two months. One day there is notification and on the other there is nomination but the election spreads to the 15th of the next month. Last two or three elections were conducted in this very fashion whether they were Legislative Assembly elections or Lok Sabha elections. I would, therefore, like to ask as to whom this 14-day provision refers to. From this, it appears that the 14-day ceiling is good for the persons who are fortunate enough to have the elections before anybody else because in other cases you have staggered the election as you do not have enough security force or you are facing some other difficulty or there is tension in some area and you have to pay special attention towards that area. In these circumstances, the provision of 14-day ceiling is not applicable to all everyone, there is much scope in it for

improvement. I would like the hon. Minister to consider this point. I would definitely appreciate if the voting is fixed after canvassing for 14 days only. But the perusal of the Bill does not make this position clear.

SHRI BIJU PATNAIK (Aska): Make it ten days.

SHRI GEORGE FERNANDES: Whatever it may be.

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands): What is your suggestion in this regard?

SHRI GEORGE FERNANDES: I am not in a position to say anything. If you cannot do anything without staggering and the Government stick to this conclusion, then there is no use saying anything in this regard. There is no use making a provision of 14 days in the Bill.

SHRI SRIBALLAV PANIGRAHI (Deogarh): It can be maximum period of 21 days.

SHRI GEORGE FERNANDES: Minimum fourteen days and maximum 21 days...*(Interruptions)*. If it is so, you will have to frame a new clause. Only then it will carry some meaning. But the position, as it stands today, has no meaning. I have to humbly submit before you this much.

I have nothing to say about the proposer and public holiday mentioned in the Bill. But I could not make out anything of the proviso in the Bill. Maybe, I may be possessing less knowledge about it. It says:

*[English]*

"Provided also that in the case of a local authorities' constituency, graduates' constituency or teachers' constituency, the reference to "an elector of the Constituency as proposer" shall be construed as a reference to ten per cent of the electors of the constituency or ten such electors, whichever is less...."

*[Translation]*

You have mentioned in the Bill - "Ten per cent of the electors". In what type of elections will this situation arise - whether in local bodies' elections or in legislative assembly elections? Presently, we are talking of legislative assembly elections. I would like to know as to what are the local bodies where you need the proposers. I have not been able to comprehend the meaning of "ten per cent of the electors or whichever is less".

SHRI MANORANJAN BHAKTA: This will mean that these should be ten.

AN HON. MEMBER: For election from the assembly to the Council.

SHRI GEORGE FERNANDES: If it will be ten, then why have they mentioned ten per cent?

SHRI SATYA PAL JAIN: As in the case of Haryana, where there are 90 Members, nine Members will be required.

SHRI GEORGE FERNANDES: I had already said that I could not comprehend the meaning of this proviso. This is for the elections from assembly to the Council. But the way you have framed the provision, this interaction is not clear.

Then you have said in clauses A to H that a person cannot contest elections from more than two constituencies. In this connection I have said in my amendment that it should not be more than one constituency. I have an objection in regard to provision for contesting from more than one constituency. Firstly, this is great injustice unto voters. An hon. Member just now mentioned three leaders from amongst whom Shri Biju Patnaik is present here. The hon. Member mentioned Atalji and Raoji. Now, all these three hon. leaders have resigned from one constituency each and there is no representation for the voters of these constituencies in the House. This is great injustice unto these voters. There is nobody here who can raise voice on their behalf as far as their crores of problems are concerned. What crime these voters have committed for being deprived of any representatives here for many months and may be for the next six months more. My second point in this regard is that a huge amount of taxpayer's money is spent on elections and this money ultimately belongs to the poor people. Now, I would like to ask as to how far it is advisable to spend this money on more than one constituency - sometimes two, three or five even for just one contesting candidate. I, therefore, submit that the provision of "not more than two" should not be there. It should be confined to just one constituency, whether it is the election for assembly or Lok Sabha...*(Interruptions)*

*[English]*

SHRI BIJU PATNAIK: Yes, I agree to that.

*[Translation]*

SHRI GEORGE FERNANDES: Thank you. I am, therefore, urging the hon. Minister to accept this amendment. Coming to the provision of fine, I have already said that the provision of three months, six months, five hundred rupees etc. does not appeal to me. I have, therefore, suggested an increase at many places in fine and period of sentence.

Mr. Deputy Speaker, Sir, now I am coming to clause No. 8. This issue was discussed in detail in our meeting held some days ago. There are recognized political parties on one side and on the other, there are registered political parties. At present I do not have the booklet of political parties brought out by the Election Commission. I understand that there are about seven hundred registered political parties at present. I have studied these registered political parties to some extent to know the nature of the party, why has it been formed and how many votes it fetches. These political parties registered with the Election Commission, generally contest just one Lok Sabha seat at one place or the other. There

may be some exception here. And then how many votes do they poll? Somewhere they are five hundred, somewhere seven hundred, eight hundred and one thousand two hundred. For getting the party registered, one has to submit a list showing the names of President, Vice President, Secretary, Treasurer, the place of work, as also the constitution of the party. One has to do only this much and the party is registered. Now, what that person or group of persons gain by this is beyond my comprehension but on the whole, I do not find any justification for these registered political parties. I cannot appreciate a party if it is doing some work amongst the people, if it is carrying on some struggle on some issues concerning the country. But this idea does not appeal to me that some party is registered unnecessarily and gets recognition. I acknowledge that the law is there for registration of the parties. There is provision in the law for the registration of political parties for elections but this does not mean that seven people assemble and declare a political party, contest one seat, from some place, poll only three hundred votes and even then we recognize that party. This is why I have urged the removal of recognition of various candidates of the parties.

Mr. Deputy Speaker, Sir, I would like to dwell upon one or two points more connected with this Bill. I had already touched the point regarding sentence. I had referred to five hundred rupees fine and three months prison sentence. About this somebody can say that it is not very big crime and there was some mistake while entering the name. But I know many such cases where the names of twelve to fourteen years children are made to enter the rolls, and some time also to demonstrate that people can get anything done. Therefore, I submit that the elections should not be taken that lightly. Mr. Deputy Speaker, Sir, this is why I am urging that the law should be stringent. The law should be strict to check every kind of crime. If we want to have fair elections, we should remove all the flaws and shortcomings in the present Bill. But the hon. Minister has said in the very beginning that electoral reforms is a continuous process and it will be an endeavour of the Government to implement further reforms also and as the Government has committed that an electoral reforms Bill would be brought in the first Session, the Government has fulfilled its commitment. But now we have to wait for further reforms, but waiting too much would not be beneficial. Shri Sontosh Mohanji has left the House, but the point to which he has alluded has been understood by all. The matter, therefore should not be delayed and the new instalment of the Bill embodying comprehensive reforms should be brought soon. It will be a step in the right direction and it will help strengthening the country.

[English]

SHRIMATI GEETA MUKHERJEE (Panskura) : Hon. Deputy Speaker, Sir I understand and as everybody here has commented, a comprehensive Bill has to be brought on this subject. This is a step in that direction on one

specific points. So, the scope of discussion may be the whole comprehensive Bill or may be these clauses. I will try to be somewhat concrete about some points which have been raised here. Before that I must fully agree with the comments made by my hon. colleague Shri Sudhir Giri that unless we can fight against the money power, muscle power and criminalisation of politics, whatever laws that we may make, these things will go on happening. I believe that everybody knows this at heart. I am saying these things because whatever laws that we may pass, they will only be for the time being. On the basis of consensus some limited clauses are taken up and even to make those effective unless constant campaign among the people and constant heart-searching in the political parties is done, I think, the exercise will not be fruitful. I hope that will not happen.

I personally think that this Government has tried to come to some conclusion in consultation with all other political parties. Shri Sontosh Mohan Dev hinted - I am not saying in any manner which should be harsh on him but as I understood, as he hinted three times - that because the elections in Kashmir and Uttar Pradesh are coming, that is why the Government wants to show that they are doing something.

That is why others are being undermined. I personally think that that was not the case. The leaders of all the parties sat together and it is not like that the parties in the Government alone did it.

Secondly, I think Kashmir elections and Uttar Pradesh elections are something which you cannot take lightly. We must understand that some signal must go from here, may be of limited scope, that we want to make these elections really democratic, at least on some points. That is why, I do not see anything wrong with Kashmir elections and Uttar Pradesh elections being in front of us. That is why, I am really glad that that initiative has come and others are also trying in their own way to come to some conclusions.

Before I say something about the amendments and certain clauses, I would say that I believe that in this Session of Parliament, a law for 30 per cent reservation for women has to be passed and if that law is passed, it will very much have its own implications which will again necessitate amendment in some of the clauses. At the moment, keeping that in mind, I can go to that. I think that is why we should pass that law quickly so that these things also tally with that idea.

I think that reducing the campaigning period has in the background the question of State funding of elections because that is what we all wanted from Dinesh Goswami Report. We go on having meetings for 33 days. In a country like ours we have to think whether we can take such a big period and also the State funding. Probably, these two things will not go together. Maybe, at the moment, since State funding is not there, we can come to some compromise. I would request those

friends who are objecting to the reduction of campaigning period to consider this aspect as well.

Some of my colleagues from BJP side have raised the question of age of candidates. They say, when we give right to vote at that age, why can they not be elected? I do not know about other States, but in our State we have two cases this time and two excellent candidates had to be changed just for nothing. I think when we have given a voting right, then we have believed in that person's intellectual capacity to exercise the right democratically.

Then, why is he not entitled to receive those votes and act democratically?

Secondly, on the question of deposit, the amount must be increased. Since there is a gap at the moment, maybe, for our understanding, we can come to some temporary conclusion on the exact amount. But I think we shall have to increase it. We cannot keep the same amount of Rs. 250. When was that settled?

It was done in 1952 and now it is 1996 ! So, we have to increase it from the present amount of Rs. 500 and Rs. 250. In my opinion, that should be taken into consideration.

Now, on the question of national honour, I feel that this national honour clause should be there because it is not a question of somebody making a mistake. Our whole force is being thrown in Kashmir and they are forced to do that activity. It is being said that this should not be done. But if I expect that a person would vote out of free will, we must also expect from that person that he or she observe the national honour. This, in my opinion, is a very important clause.

Now, I come to the question of boycott. The question of punishing persons who boycott, I think, would be very wrong. You must punish the agency which calls for a boycott. The boycotts are arranged in two ways. There is the local boycott and that is another thing. But if the recognised national parties or local parties in the State, for example, organise this boycott, then it is they who are responsible and, therefore, we should take some legal measures against boycotting by such parties. I would like to suggest some legal measures with regard to that, but I do not know whether I can do it or not within such a short time.

The behaviour of the media during the election campaign is very important. How will the media behave? Will they behave objectively? The Press Council tried but could not mobilise so quickly. Mr Justice Sawant had called for everybody's opinion on that question and a questionnaire was circulated on how the media should behave objectively. If they do not behave, then what could be done? I think, this aspect also should be looked into.

Rigging is surely punishable and we have to punish those people who do the rigging.

If objectivity is being given up totally by the media or with the help of certain Houses, if certain political parties are being boosted up or if certain political ideas are given prominence which may not be always according to our Constitution, should we keep quiet? So, some ethics should be found out, but I do not know whether we would be able to do it within such a short time or not.

But this aspect must be considered when the total comprehensive Bill would be considered.

The last point in this regard that I will take up is the question of observers and counting. Our experience of counting is terrible. There are some problems created for the observers in Bangalore. But on the whole, the observers in West Bengal are independent this time. That is my opinion. I think it is the opinion of everybody because all the others also got the benefit, not only the ruling party combination as observers. But the question of this Election Commission's method of counting is taken in our State. If that becomes the norm, then no fair counting is possible. Only three days of counting is done and only one set of polling agents will be there.

So, if some parties combine and make their Agenda, it is another thing. But normally every party will have a polling agent. Can any polling agent count 12 tables in three days? Is it possible? There were many mistakes, not intentional. If this kind of counting is given, then the result may not be exactly what it should be. That is why, I am suggesting that with the Election Commission, before these elections, this question of counting, how it should be best done, should be discussed so that counting is quick, attentive and objective. We have to find a way out at least in this type of two days counting that same person at the same table cannot be fair way of counting.

With these words, I would say that on the whole what has been stated here is a good attempt.

Maybe with a little amending here and there, with getting together for a consensus, we should pass the Bill because that will give a signal to the country that this Parliament at the initiative taken by the Government and with the cooperation of all the parties, is giving a signal that different types of elections should be there and the most difficult place, Kashmir let the beginning there and let that most popular State, Uttar Pradesh also have the same objective basis.

Thank you.

[Translation]

SHRI SANTOSH KUMAR GANGWAR (Bareilly) : Mr. Deputy Speaker, Sir, our party had been talking about electoral reforms for the past many years and we were wishing very earnestly that this Bill should be brought very soon. But it appears that whoever party was in power, that party did everything to cater for its own interest. The Dinesh Goswami report could not, therefore, be implemented till this date. And even now

perhaps it appeared to the parties that in case the electoral reforms are not undertaken, it might cause harm to them. The need for a comprehensive reforms Bill has, therefore, been lost sight of for the present and the present Bill has been brought keeping in view the elections in Uttar Pradesh and Jammu & Kashmir, on the basis of consensus on a few points. A Member of my party who spoke before me, referred to the Dinesh Goswami report and also touched upon many points regarding electoral reforms. I would like those points to be considered by the Government. We know that electronic machines were procured some years ago and crores of rupees were spent therefore but those machines are now lying idle. It appears as if they are of no use. Multipurpose photo identity cards have been prepared. There may be some mistakes here and there. I cannot say about Delhi but the use they are being put to at other places is known to everybody. In some cases, the political parties have to rise above party level and take a decision. Immediately after independence, the candidates were selected on individual merit but today the candidates are selected on the basis of caste and religion. No political party is able to rise above this communal and caste-based approach.

Mr. Deputy Speaker, Sir, I would like to draw Government's attention to a few points here. This is right that the period of election propaganda is being reduced and there is rethinking about the sentence to be awarded to the persons indulging in malpractices. But I have to submit that some influential persons are put forth as candidates by some independent candidate and they are then misused. How will you be able to find this out. Although you have fixed rupees five thousand as fine but the person who has black money can very easily put forth ten to fifteen candidates. People like us will be put to difficulty because of this. In this connection I have given notice of an amendment that this provision of rupees five thousand should be changed, and in case of Lok Sabha, it should be rupees ten thousand and in case of assemblies, it should be rupees five thousand. I would like the hon. Minister to pay attention to this point.

There is another point towards which I want to draw the attention of all the political parties. What arrangements should be made on the polling day? If one has got influence in some polling booth and one has ten musclemen with him, one can easily capture that polling booth and get all the votes of that booth in his favour. I would like to know the steps taken by Government to ensure that all the voters vote smoothly on the polling day. Further, I would like to know the policy in regard to electoral rolls and the polling booths. I was surprised to see that at the place I hail from, there were polling booths for women and men voters at two different places. The result was that the people did not go for voting. Why should the members of the same family go to two different places for casting their votes? When this anomaly was pointed out, the answer was

whatever had been done could not be changed. The situation in the rural areas is worse than this. There are the places where even now people have to walk down four to five miles to cast their vote. We cannot provide them transport because as it well known this time, the vehicles were inoperative because the tyres were punctured. No effective steps have been taken in this regard so far. Our party has suggested that the Government machinery should be energised to set the things right to ensure smooth voting on the polling day. Otherwise, there will also be bogus voting. All told, there may be only fifty per cent voting and in this, there may be ten to fifteen per cent bogus voting.

Today, the voters are not that much interested in casting their votes as they had been in the past. These days, the voter is running away from the vote. We want that there should be such arrangements that the voter feel keenly interested in vote. He should not delink himself from the process. We should not indulge in such act as to make the voter run away from voting. We are not giving any thought to it. I submit that we all should sit together and think over the steps to be taken to ensure as to how to make voter reach the polling station and cast his vote.

Shri Santosh Mohanji was telling that the polling booths are provided at many nearby places. We have a school in our village but the polling booth is not provided there. On the other hand some temporary booth is constructed at some other place. The district administration should be given power in this regard so that they can take corrective measures when approached. Only then we can proceed towards right direction.

My predecessor has rightly asked whether this fourteen days limit is enough. I remember the day of Rajiv Gandhi's tragic assassination. Immediately after that, the next day we had to move out to fight elections. Then there is the question of ceiling on election expenses. When there was election in our place for the first time the ceiling was less but this ceiling went on increasing during the elections second and third time. And the funnier thing than this is that the counting of votes takes place after a month? How will our expenses during this one month be computed. Why should counting take place one month after voting. I fail to comprehend as to why the votes of different polling booths are mixed together. This is done on the plea that it will obviate quarrels afterwards as nobody will know how many votes he got from which booth?

18.00 hrs.

After all electronic voting machines are going to be installed and counting will be in the polling booth itself and the nature of voting will become known to all. And then, elections to the posts of Pradhans also take place.

MR. DEPUTY SPEAKER. It is already six o' clock. Six hon. Members have already spoken and the seventh



is on the floor and twelve hon. Members remain to speak. If the House so desires, the time of today's sitting can be extended by one hour.

SHRI SRIBALLAV PANIGRAHI : Today, the House wants to adjourn. The House sat whole yesterday night. The staff also feel tired.

MR. DEPUTY SPEAKER : What is the opinion of the House?

[English]

SHRI P.R. DASMUNSI (Howrah) : Sir, the Lok Sabha Secretariat thinks that the matter may be referred to the Human Rights Commission ... (Interruptions)

SHRI SRIBALLAV PANIGRAHI : There is a limit to overtime also.

[Translation]

SHRI RAJIV PRATAP RUDY (Chhapra) : Most of the Members had been awake the whole yesterday night.

MR. DEPUTY SPEAKER : Please keep one thing in mind. I have to proceed according to your will. But this Bill has to be passed expeditiously. Rajya Sabha has also to pass it. If some hon. Members speak today and thereafter the hon. Minister gives a reply, then....

(Interruptions)

[English]

SHRI SRIKANTA JENA : The whole problem is that we have agreed to this today, we can extend and discuss the whole thing. We can even take it up on the 30th because it has to be passed and it has to go to the Rajya Sabha. The whole intention is that we have to pass it before the notifications for the Jammu and Kashmir and U.P. elections are issued, otherwise it will not have any meaning. If required, we can call an all-party meeting to discuss even the amendments. The Government is prepared for that. Therefore, whatever suggestions are there, we can sit for one hour and discuss the whole thing. The Government has an open mind.

[Translation]

SHRI RAJIV PRATAP RUDY : Please, get it passed on the 30th.

SHRI SRIKANTA JENA : The Railway Budget has to be passed on the 30th; there will be no time available for ordinances also. We will sit one hour now and discuss this Bill.

SHRI I.D. SWAMY (Karnal) : Why are you making so much haste in it? It is an important Bill. You are rushing through it because elections in Jammu-Kashmir and U.P. have to take place.

SHRI SRIKANTA JENA : There is no haste. This is the outcome of the last ten years. The Goswami Report was submitted and the discussion thereon started. It is not that we have drafted in the morning and brought it

in the evening. It has been discussed in all-parties meeting twenty times. This Bill had been referred to the Select Committee and it had been discussed there also. It is not that we have brought it lightly ... (Interruptions)

[English]

SHRI MANORANJAN BHAKTA : Yesterday the whole night and till morning 7 O'clock, the House was sitting.

[Translation]

SHRI I.D. SWAMY : Please fix the discussion for an hour or two on the 30th.

[English]

SHRI SRIKANTA JENA : I have no objection. But the whole question is, on the 30th we will face a lot of problems. We do not have time. We are not passing it today. But we are just discussing it. Members can participate on this for another one hour. We can discuss it upto 7 O'clock.

[Translation]

SHRI G.M. BANATWALLA : Please let it continue upto 7 O'clock.

MR. DEPUTY SPEAKER : All right; it is extended by one hour. It will go upto 7 p.m. There remain twelve hon. Members to speak. Please take less time.

SHRI RAJIV PRATAP RUDY : Please fix five minutes for each hon. Member.

MR. DEPUTY SPEAKER : All right, please finish your speech within five minutes.

SHRI SANTOSH KUMAR GANGWAR : Mr. Deputy Speaker, Sir, it is very important Bill indeed and intention of everybody is to pass it. As far as our party is concerned, it agrees fully. I will not spend time on the points which have been highlighted earlier. It is a fact that the anti defection law is being made an object of ridicule. I feel that it should be taken seriously and a decision taken in this regard. The way it spoils our image should also be taken into consideration.

I would like to touch one point more which is known to honourable George Sahib. This is about the election petitions filed after the elections. This is very time-consuming. There was an election petition against me too and that took five years. Mr. Deputy Speaker, Sir, there should be a separate meeting in this connection and we should consider that the entire staff engaged on the election work should be under the Election Commission during that duration. The announcement of the result should not be withheld if there is no particular reason therefor. The announcement can be withheld in case there are grounds affecting the result. Otherwise sometime the situation becomes embarrassing.

In the end, I would like to submit that many reforms not included in this Bill, and about which there is consensus amongst all the parties. Those reforms



should be brought about rising above the party level so that we may be in a position to give new direction to the opinion being formed by the masses at large about us. We should also keep in view as to how we can do away with the use of muscle and money power in the election.

With these words, Sir, I conclude.

[English]

SHRI CHITTA BASU (Barasat): Mr. Deputy Speaker Sir, I rise to support the Bill. I support the Bill because this is an urgent necessity to respond to the exigencies of the time. However, I am quite conscious that this Bill is not adequately comprehensive. It is not commensurate with the demands of the people, particularly the democratic apparatus and it does not conform fully to the democratic aspirations of our millions. This is a step in the right direction. But this step is not strident enough. This step is hesitant, this step is faulty, this step is too small having regard to the long journey that lies ahead.

This does not reflect the totality of the perception of the electoral reforms in a country like India. We are proud that in this part of the world we are sustaining the democracy. This democracy has ripened, but it should be ripened fully. For this purpose the electoral process should be purified, reformed and safeguarded. It is against the money power, against the muscle power, against the criminalisation of politics, against other evil practices that we witness today the election period. Therefore my observation is that this Bill, although a right step in the right direction, is fragmented; it is fractured. We need a Bill containing the totality of the perception of comprehensive electoral reforms.

I quite agree with Shri Sontosh Mohan Dev when he says that it is not to the credit of particular party or a particular Minister on a particular combination of parties which are running the Government today. It is the fruit of the labour of many of us. It is the product of the wisdom of the House. It should be further expanded in the wider interest of democracy of our country. It has been suggested by the hon. Minister while commending his motion that electoral reforms is not a self-contained process. It is not an end in itself. It is the beginning of a process and it must and in producing some result. My complaint against this Government is that the process may be long, but after all the process must take some shape.

I am happy to recollect that the process was started long ago. The process was started more than decade ago. It was because of the Government of the day, whatever might be the complexion of the Government, because of their lack of political will, because of their proneness to serve a particular vested interest, they did not take adequate steps to give it a proper shape during the past few decades. It began with the Goswami Committee Report. Many Members, including myself, want comprehensive

electoral reforms. The work 'comprehensive' should also be comprehended. A particular word or a particular phrase 'comprehensive' does not mean anything unless some contour is there, unless some paradigms are there. It is the most valuable part of the recommendation of the Goswami Committee to delineate the comprehensiveness; what we really mean by comprehensive electoral reforms. I will not quote it, because I know the limitations of time.

I simply want the hon. Members to go through a particular paragraph and that is 19 (12). It is enunciated by 14 points. It visualises the 14 aspects which constitute the comprehensive electoral reforms. In the context of India, not in the context of other countries, these are the 14 interconnected, cohesive, integrated perception of comprehensive electoral reforms. I am sorry to say, that totality of perception is not reflected in this Bill. Therefore, it cannot be called a comprehensive electoral reform. It cannot be a substitute even of a part of the perception which was visualised by the Goswami Committee.

I conclude by saying that the Goswami Committee is a Committee which comprised of a representative from all sections of the House, the Congress Party, the BJP and all other parties. It is needless to mention the names. The names are there. They are talented Members of Parliament and members of intelligentsia who contributed their mite for the finalisation of this Committee's report. It is a unanimous Report. There has been no dissent to this Report. These are the 14 points of the comprehensive electoral reforms.

On this, there have been other recommendations from the Election Commission. In this House and also the other House, there have been introduction of certain piecemeal legislations based on this.

In all humility I would say, let us have a comprehensive Bill, within a very reasonable period of time, containing the common recommendations of the Election Commission, Goswami Committee and the unanimous recommendations of the Standing Committee or the Joint Standing Committee. Had it been so, I think this would have been much more appreciated and it would have been a strong and a sharp weapon to fight the evils who are now occupying the arena electoral battles.

Sir, electoral battle is also an important field of battle by which the truth can be established. Then, the future of the nation can be shaped. With these few words, I implore upon the Government, particularly, the new Minister of Law and Justice to assure the House that within a brief period of time he will bring about another legislation containing the suggestions which the hon. Members have so far made. If you feel correct, you may include my suggestion also as that will be a proper response to the urges of many Members of this House. I support the Bill.

SHRI MANORANJAN BHAKTA : Mr. Deputy-Speaker, Sir, the piece of legislation under discussion is a very wide-ranging one. The hon. Members who spoke before me touched many of the important points. So far as the present Bill is concerned, it has a very limited purpose to serve.

We have heard the other hon. Members speak on electoral reforms. This subject has been under discussion for a long period in different forums. There was an occasion for the House also to discuss it earlier when a Bill was introduced which could not be passed.

We are discussing today a limited piece of legislation. The point enumerated in this Bill is mostly and mainly to contain the non-serious candidates. It is only the serious candidates who should have the facilities to contest without any kind of hindrance and the non-serious candidates who create problems in the electoral fray have to be kept out of it. It is also aimed at minimising the number of candidates in a particular election whether for Parliament or for State Assemblies.

Regarding the points raised here, I do not think that there is really much left to be said except, as an hon. Member said, the security deposit should be raised. I also feel that it should be Rs.10,000 for Parliamentary election and Rs.5,000 for Assembly elections. Otherwise the purpose of the Bill would be defeated.

The role of the observers is also a very important point. The Observers and the Returning Officers, when sent to the States, are completely at the mercy of the State Government concerned. Until and unless they are provided some authority to use in an eventuality, the very purpose of enacting a law to provide observers will be lost.

Amendment No.41 says:

"The observers shall have the power to reallocate the polling personnel for conducting election, and bogus voters shall be eliminated from the voters' list."

Amendment 47, given by Shri Rajiv Pratap Rudi says:

"The observers shall have the power to remove, suspend any officer or officers associated with the electoral process found indulging in electoral malpractice or abetting booth-capturing or any such act which adversely affect the free, fair and fearless poll."

The observers shall have the power to cancel counting of votes in a booth or booths where actual votes cast is the same as the total number of voters and the polling booth in question or where the total or majority of counterfoils of the poll ballot papers have only thumb impression of voters.

The observers shall have the powers to cancel counting of any such votes in a particular booth where the signatures of the Presiding Officer is only in initials and does not tally with the actual signature of the Presiding Officer."

Sir, I am conscious of the time. You have to do justice to my party also. We are 142 Members in the Lok Sabha.

MR. DEPUTY-SPEAKER : Your Party has given names of some other Members also.

SHRI MANORANJAN BHAKTA : You can give time on a rational basis.

The second point here is that at the time of counting, the Counting Hall should also be included. A new trend has come up in the Counting Hall. If some electoral malpractices in the electoral rolls take place the Observer should have some authority to control such malpractices by denying entry to the unauthorised persons, etc.

Another important point, I would like to raise here is most of the hon. Members know it very well but have not spoken it very openly - that becoming a candidate is a crime at the time of election. Some direction from the Election Commission or from the Supreme Court or from some other authority is issued, as if all the time these candidates who are standing in elections have done some great crime and that they have to be contained. This is a very serious thing. Every dignified person will feel humiliated the way the candidates are treated during the time of elections. I have not once seen during my long years in politics that after seven or ten days, some circulars are issued after the electoral process have started, the Election Commission or the courts issue instructions before the election process starts so that everybody can follow them. Every member chalks out his *modus operandi* as to how to run the campaign well in advance. Thereafter, after ten or 15 days if the member finds that circular has come and that they have to follow them, it creates problem for the member fighting the elections. Again another circular comes saying that they will have to follow that. So this way the candidates are harassed. Nobody has raised this point. This is a major point to be discussed thoroughly and there is a consensus in this House - almost every hon. Member has spoken on this subject - that you will have to have a comprehensive Bill on electoral reforms where either State funding or any other method or the criminalisation, whatever is there in the politics, all these matters have to be taken into consideration.

Sir, one important point which I would like to mention here is that until and unless all political parties come together to discuss various matters of electoral reforms, nothing can be done. Criminalisation in politics has come to such an extent that no party is left out of this. As such, all parties will have to see how this malady can be removed. That is why I would like to request the Government that you can take this opportunity to discuss among all the parties as to how this can be contained and as to how the politics can be made free, fair and acceptable to the people.

(Shrimati Geeta Mukherjee in the Chair)

Another important point is, as Shri Biju Patnaik has stated, that a candidate should get 50 per cent of the votes, only then he could be declared elected. If that is so, then you will have to bring another Bill for compulsory casting of votes. Until and unless that is done, it is not possible that you can do this ... (*Interruptions*) Even then, if you cannot do, then you cannot think that way also.

Then polling booths should be in such a position that it should not be at a distant place. Suppose the polling booth is five kilometre away, then the Election Commission gives a direction that no one should use any vehicle; there should be no transport or conveyance.

Either the Government should provide facility for the voters for reaching the polling booths or the Government should allow the candidates to take the voters to polling booths. Particularly in the remote areas, this should be done.

Ultimately, what I want to say that so far as this piece of legislation is concerned there is no question of my opposing it. It is because in the all party meeting there was unanimity.

I would like you to consider the two amendments, namely, 41 and 47 were given by me. There should be flexibility as far as campaign period is concerned. At the moment it is fourteen days. As suggested by Shri George Fernandes and Shri Panigrahi, it may be increased from 14 days to 21 days.

With these few words, I thank you very much for giving me an opportunity to speak.

SHRI G.M. BANATWALLA (Ponnani) : Madam Chairperson, I rise to support the Bill subject to certain observations. The Government had made it clear at the very beginning that it is not a comprehensive Bill. The area touched by the Bill represents those items which have the broad consensus of all the political parties here.

Before I enter into any critical examination of the various Clauses, I must congratulate the Government for its policy of having consensus and then working upon the consensus of the political parties. Of course, we have recommendations from the Election Commission. We have recommendations from the Goswami Committee. We have also recommendation from the Standing Committee and so on. But one cannot go on more recommendations of these Commissions and Committees. It is a very healthy policy of the Government to ascertain the opinion of the various political parties and try to have a consensus among them. I congratulate the Government for this. This is a commendable policy.

I must also say with full convention that the Bill that is before us, through not a comprehensive Bill nor intended to be a comprehensive Bill that itself reflects the sincerity and the genuine desire of the Government

to bring about electoral reforms. This is a Bill that responds to the exigencies of the situation.

Now, Madam Chairperson, let us take up some of the important points with respect to the Bill. At the very outset, I must strongly protest against the discrimination between recognised parties viz., national or State parties on the one hand, and the registered parties on the other hand. This a discrimination which is unfair, illegal and unconstitutional. We are told that there are many registered parties. We are told that registered parties can be easily formed. Therefore, they should be penalised. I am afraid nobody, national party or recognised national party or a State recognised party or anybody can be a sole repository of all seriousness in contesting the elections. Among the registered parties, how can you challenge their sincerity and their seriousness?

To do so is a matter of arrogance, a deplorable arrogance. I must say. There was time, yes, there was time when the so called national parties were very arrogant about the fact that we are the national parties with national perspective and these are the regional parties without any national perspective. But today, we know that these regional parties have proved to be having a better national perspective than even the so called national political parties. Therefore, this is the situation that is there before us. First, you allow and provide for the registration of the parties and then you try to show them the door. That, I must say is hypocrisy and nothing else.

There are two provisions here in the Act. One is Clause 6, where a candidate, other than the candidates set up by a recognised party, needs ten proposers. Let everybody have ten proposers. Why are these national parties fighting shy of bringing ten proposers? I cannot understand this. What is the basis of this discrimination? The national parties are not in a position to bring ten proposers. Of course, I see no difficulty for a registered party to bring ten proposers but then this is the type of discrimination that is there. They have a feeling "we are the national party, we are a recognised party and only one proposer can do for us."

Madam, Chairperson, I know very well that there are instances after instances of the recognised parties not being serious in putting up a particular candidate in a particular constituency and the candidate is put up with an ulterior motive. But here it is childish and childlike to say that let only the registered parties and independents have ten proposers and that the so called national parties have the arrogance of saying, "we do not require even ten proposers from the entire constituency." It is this arrogance or this sort of classification, I am sure, which will be struck down by the courts here in our country.

A second clause 9 provides for the adjournment of poll on the death of a recognised political party candidate. I can understand the death of an independent candidate and then nobody in his shoes to take up. But

then the death of a candidate belonging to a registered political party is a serious thing. If you do not adjourn the poll, if you do not give the registered political party to put up a substitute in place of the deceased, then you are pushing that registered party totally out of the electoral fray.

I do not know why these political parties are afraid of these registered parties also and push them out of the electoral fray. The registered party may be a serious party putting up a candidate and if the candidate dies, that registered party should not be thrown out of the electoral fray and must be given the opportunity to put up a substitute candidate. That has nothing to do with the seriousness on the non-seriousness of the candidate. It is an act of nature that he died and then he needs to be substituted. Therefore, we find a totally baseless type of an attitude taken up.

Article 14 of the Constitution provides for equal protection of law for everyone and this discrimination denies this equal protection of law to the candidates.

I know very well that the doctrine of classification is incorporated in Article 14. But then, the doctrine of classification is based on certain limitations, restrictions and criteria. (Interruptions)

MR. CHAIRMAN : You kindly go to the next point because you have made this point.

SHRI G.M. BANATWALLA : Madam, I am sorry that I have been trying upon your patience. But this is a very important point. The whole exercise of the election will be simply struck down. (Interruptions)

MR. CHAIRMAN : Shri Banatwallji, you were not there yesterday and I was there the whole night.

SHRI G.M. BANATWALLA : Therefore, I was trying to emphasise it and I emphasised it even at the time of the meeting of the Leaders, in diffidence to your direction I may refer to another point relating to Clause 5. And then I was assured by the hon. Home Minister in the meeting of the Leaders that the point would be considered though there were not many takers of the point in that particular meeting. Therefore, I appeal to this House that absolutely there is no base for this particular classification and discrimination.

Madam Chairperson, in Clause 5, the campaign period is sought to be reduced from 20 days to minimum 14 days. Yes, the point has been well taken by the hon. Member, Shri George Fernandes whom I may have displeased a few minutes ago. This particular point taken by him was a valid point. When the poll is staggered and taken on different dates, then the people who go to the poll first, the candidates who go to the poll first are at a disadvantage compared to others. This point has been well taken. I will not elaborate more upon the same. But here is also the question with the counting of votes. Kindly take up the previous reports and recommendations in regard to the counting of votes.

Almost all the recommendations of the previous Commissions and Committees emphasise upon the prompt counting of votes. The hon. Member, Shri George Fernandes, would remember that when he was contesting the Parliament election from Bombay and myself in alliance with him for the Maharashtra Legislative Assembly, he was pointing out that one had to be very careful to ascertain the security of the boxes. And I remember that volunteers were posted at the door of the building in which the boxes were kept. But, today we find that a whole week or ten days pass or 15 days pass or a month passes and we have to wait for the counting date after the poll. This situation must be taken care of.

Then, I take up the Clause that deals with the question of deposits. You may have a larger amount of deposits Rs.5,000/-. But if the idea is to keep the non-serious candidates out, I doubt very much whether this Rs.1,000 or Rs. 5,000 will help a much. But I must say that in the first place, a person must be allowed to contest from only one constituency. But, in case a person is being allowed to contest from two constituencies, then let him pay more and more of the deposit; let him at least pay more and more of the deposit and the constituency which he does not later on retain, that deposit should be forfeited. That must also be considered in case you want a few to retain this particular facility of contesting from more than one constituency.

Clause 3 provides that a person convicted of specified offences be disqualified for six years. It is a very good Clause. And certain more acts, insults to national honour and all that are added. You may go on adding as many as you may think fit. I have no objection to that.

But I want to ask the Government to consider seriously the sincere implementation of the various Acts which provide for conviction for various offences. For example, in this very House, with a lot of fanfare, we passed the Places of Worship Special Provision Act, 1991.

MR. CHAIRMAN : Please do not go into that.

SHRI G.M. BANATWALLA : That Act was passed. That Act is now there in this clause 3, disqualifying a person for six years. But I want only to say that from 1991 up to 1996, the Act has never been invoked. The people have been going round challenging the Act with impunity, talking of conversions of the places of worship with impunity and even then, not a single prosecution, not a single conviction was made. Now if you do not prosecute a person, if you do not get him convicted, then this whole clause 3 is nothing but is of an ornamental value and subjective satisfaction value in our Bill.

Clause 2 of the Bill enhances the punishment for refusal to perform electoral duty but then there is a proviso which says that "provided the refusal is based on a reasonable cause". Now the term 'reasonable' is very elastic. It is very vague and therefore, due caution will be wanted whenever this particular clause is sought to be invoked.

Madam Chairperson, I will conclude by saying that there are several areas of electoral reforms. It is shocking to see that while India is the largest democracy in the world, the right to vote and the right to stand as a candidate are not Fundamental Rights. They are more legal rights. The right to vote, the right to be a candidate is the very basis of the foundation of democracy. But it is not a Fundamental Right. I must urge upon the Government to see that a proper amendment to the Constitution is brought in order to see that the right to vote, the right to participate in an election is made the Fundamental Right under our Constitution.

There is also the question of proper electoral rolls. The present electoral rolls are so defective that words cannot sufficiently describe their defects. In the first place, a large number of names are omitted. A wholesale deletion also takes place. In Delhi, for example, I may say that in the electoral roll in certain parts, it was written as "The election nil". That means the whole street is full of people but not a single elector or voter is there. How a ridiculous way it is. At least, something has to be done in order to see how the electoral rolls is prepared. Even if the names are given wrongly, mistakes have to be corrected. For example, whenever the electors come to me, I tell my name as Gulam Mahmood. They do not understand. I go on explaining to them and mistakes occur. Whatever be the mistakes that have occurred, have to be corrected and for all that, we have to be after that.

When you have your enumerators also and when you send those enumerators to a particular locality, please see that the enumerators are those who correspond to the nature of the locality so as to have the least number of mistakes also in enumeration. This is apart from the question of wholesale deletion of names and other things.

Finally, before I resume my seat, I would like to touch upon one item. We have the system of majority vote. The candidate who gets the majority is elected. It is an outdated system now. We must have a proper proportional system of voting. There are several methods. I will not go into the details of the same.

But this proportional system of voting will bring about a House which will be more and more reflective of the entire nation. The time has come for taking bold initiatives in this particular area. A proportional system of voting with list system without any threshold may be

wanted today and that will solve a lot of our problems with respect to serious and non-serious candidates, independent and party candidates, recognised and registered party candidates and so on and so forth.

Madam Chairperson, with these words, I support the present Bill. I hope that the submissions that have been placed before this House by me will be duly considered by the House and by the Government and a favourable response will be there.

I must congratulate the Government for moving in the right direction of electoral reforms. With all sincerity I urge upon the Government that their efforts to bring about more and more consensus among the political parties for more and comprehensive reforms should continue.

I wish them well.

MR. CHAIRMAN : Hon. Members, there are still 13 names. So, I have to take your permission. As we did the last time, each Member will speak for five minutes.

...(Interruptions)

SHRI PRAMOTHES MUKHERJEE (Berhampore) (WB) : Then you have to extend the time of the House. (Interruptions)

SHRI I.D. SWAMI (Karnal) : When a new Member gets up to speak since he is not recognised the bell would ring and hardly a minute or so would be given to him whereas when the other well recognised Members would stand up, they would continue speaking for thirty or forty minutes and sometimes not very relevant to the Bill. (Interruptions).

[Translation]

DR. SATYANARAYAN JATIA (Ujjain) : Madam Chairperson, we should not discuss this important Bill hastily. Unnecessary hastel in this regard will not be fruitful. It is not that the Bill if going to be passed today itself and there is compulsion to enforce it from tomorrow. Good discussion needs sufficient time. Without proper time, the desired result cannot be achieved and we will fail in our chairshed goal of electoral reforms. The bill should be discussed in detail. Otherwise also, the Bill is incomplete and does not embody all the electoral reforms. All told, we are putting ourlines under an illusion.

MR. CHAIRMAN : Let us at least agree that we shall go on extending the time of the House as long as these Members do not finish and I appeal to them to be as precise as possible.

...(Interruptions)

[English]

SHRI MANORANJAN BHAKTA : Madam, yesterday we sat throughout the night. You have to see that the staff are working since yesterday.

MR. CHAIRMAN : What do we do with these names? The discussion has to be finished. Is it not? Then, the Leaders of the Parties have to sit with the amendments and all that. So, the time also may not be there. Is it not?

SHRI MANORANJAN BHAKTA : How many names are there?

MR. CHAIRMAN : There are thirteen names.

SHRI I.D. SWAMI : My submission is that another one hour's time may be allotted on the next working day so that a proper debate can take place. But if the suggestions have not been debated then how can they be incorporated in this Bill. *(Interruptions)*.

SHRI SRIKANTA JENA : Actually, we have no objection for a longer debate. The whole point is that on this issue there has been a debate for the last five, seven or ten years. This Bill was sent to the Select Committee. There was recommendation again from the Select Committee and after that we had two rounds of an All Party meeting.

Whatever was agreed upon unanimously after the all-party meeting, only those points have been brought forward here. And this is not the end of the story also.

SHRI I.D. SWAMI : Then we raise our hands and say that it is passed, let us do it that way. Let us not have the debate at all.

SHRI SRIKANTA JENA : As the hon. Members have already said, this is not the complete comprehensive Bill so far as the electoral reforms are concerned. The Government is also of the same opinion as the other hon. Members that the Bill is not complete yet. Whatever has been agreed to so far, that at least should go. For the rest of the things, again the dialogue will continue with other political parties. It is not the Government business alone because on this issue, all the political parties are committed. Because of the urgency that is involved in it, I am just reminding the House. *(Interruptions)*. What I suggest is that let the Members say whatever they want to say. Let them make whatever suggestions they have in their mind. About the amendments, I suggest to the Law Minister that though Monday is a holiday, an all party meeting can be had on Monday itself. We can sit down again on Monday and discuss it so that without any debate, the Minister will reply to that and we can pass the Bill and it can go to the Rajya Sabha because in the Rajya Sabha, they will again take some time. Before 31st July, we want to see that the Bill is passed. That is the whole intention of the Government. Yesterday whole night we were all here up to 7.20 a.m. in the House. I am not advocating that no, we should sit for another one hour or two hours. But whatever little time we can afford to sit at least another half-an-hour, we can accommodate

three or four Members within that time. Then we can conclude the debate and take it up on 31st. That is my only request.

DR. SATYANARAYAN JATIA : There are still thirteen more speakers left, not three or four.

SHRI MANORANJAN BHAKTA : You can do one thing. You can give chance to one or two Members from each party which has not been given a chance so far.

DR. SATYANARAYAN JATIA : No, that will not do. We have been sitting here for a long time to speak.

MR. CHAIRMAN : Well, let us begin it and let us try it.

SHRI I.D. SWAMI : Sir, my submission is that the earlier Members have spoken for half-an-hour to forty-five minutes, but now you want to put this restriction only on these twelve poor persons who are left. You are asking them to speak for one minutes or half a minute each and go home. If your view is that everything is well thought over and the leaders of all the Parties have agreed, then what was the necessity of having this debate and wasting the time of the House? *(Interruptions)*. We want to make some suggestions. You can give us some time on the next working day. One hour will not mean much. We can cut short on something else.

MR. CHAIRMAN : No, the Minister has said that technically it is not possible. He has also told you that this debate will continue later on also. This is not the last day of the debate on electoral reforms.

Let us start now. I appeal to all the Members to be precise in making their speeches.

SHRI PRAMOTHES MUKHERJEE : Thank you, Madam, for the opportunity given to me to express our views on this important Bill, that is, the Representation of the People (Second Amendment) Bill. On behalf of my party, RSP, I rise to support the Bill in general, but on particular points I have some reservation and I have some objection to a particular point in respect of reduction time to fourteen days in place of twenty-one days.

Madam, with your kind permission I beg to quote from Clause 5 on page 3 of the Bill in respect of amendment of Section 30 :

"in section 30 of the 1951 Act, in clause (d), for the words "twentieth day", the words "fourteenth day" shall be substituted.

I have objection to this clause and it is my suggestion that the words "twentieth day" should remain fixed and they should not be changed to the words "fourteenth day".

Again, Madam, my friend my party-mate hon. Member Shri N.K. Ramachandran has brought a notice

of amendment in respect of amendment of Section 33. With your kind permission I quote from the Bill:

"Provided that a candidate not set up by a recognised political party shall not be deemed to be duly nominated for election from a constituency unless the nomination paper is subscribed by 10 proposers being electors from the constituency".

Let me clarify our position on this point. There is an apprehension that any political party, once they are recognised, may lose the political affiliation in another State. It is better to say that candidate not set up by a recognised political party and in such place or by a registered party. It is better to say that independent candidates from the personal wish cannot be nominated and if nomination paper is to be submitted, then it should require ten proposers or more.

Again, Madam, there is a vital question of State funding. We have studied the salient features of the Dinesh Goswami Committee Report. State funding has vital role to play in this affair and it is only the State funding that can be the only instrument of implementing our ideas.

Another point is about the criminalisation of politics. It is a matter of regret that the Congress Party, during their regime in the past days, has given the indulgence for criminalisation of politics, and the use of money power and muscle power have become the daily feature in the period of election...(Interruptions).

SHRI MANORANJAN BHAKTA : Everywhere you talk about Congress. There is no end to this...(Interruptions).

SHRI PRAMOTHES MUKHERJEE : It is because you were there in power since 1947 and during the last 50 years, which was the period of your rule, only it has been done. So, I say this...(Interruptions)

SHRI A.C. JOS (Idukki) : What about Bengal?...(Interruptions) Are you not doing the same thing there?

MR. CHAIRMAN : The question is about criminalisation. His appeal is not to have criminalisation in the country. The hon. Member may continue.

...(Interruptions)

SHRI PRAMOTHES MUKHERJEE : That is a different matter...(Interruptions)

SHRI PRADIP BHATTACHARYA (Serumpore) Madam, it is not that we are coming and sitting quietly. We are observing. What he is saying is not correct...(Interruptions)

MR. CHAIRMAN : Why should we go into this? The question is about criminalisation on which we all try and give our view. The hon. Member may continue.

SHRI A.C. JOS : The Left parties in Bengal never delineated politics from anything...(Interruptions)

MR. CHAIRMAN : That is why you want democracy in politics.

...(Interruptions)

SHRI PRAMOTHES MUKHERJEE : That feature should be incorporated in the Bill...(Interruptions)

Madam, I want to speak about the appointment of observer which is another feature of the Bill. The statutory background should be given to the appointment of observer. I agree to this fact. I have the saddest experience in this regard during the last elections. The former Chief Minister of West Bengal and the former Ambassador in Washington, Shri Sidharth Shankar Ray was the contesting candidate against me...(Interruptions)

SHRI PRADIP BHATTACHARYA : You are again taking the name. Why should you do this? You should not take names.

SHRI MANORANJAN BHAKTA : Madam, I am on a point of order. He cannot take the name of person who is not here, who cannot come and reply. His name should not be taken.

SHRI PRAMOTHES MUKHERJEE : He was my contesting candidate.

SHRI MANORANJAN BHAKTA : Madam, the name should be expunged...(Interruptions)

SHRI PRAMOTHES MUKHERJEE : He was my contesting candidate. I beg to refer to the behaviour pattern of the observer during that period of counting.

MR. CHAIRMAN : Then you do not take names of any persons outside.

SHRI PRAMOTHES MUKHERJEE : Yes Madam. He was my contesting candidate. When I came to know that the contesting candidate was trailing behind me by 24,000 votes, I did not mind.

19.00 hrs.

I do not have any ill-feeling on reporting of this type of news. But I beg to refer to the incident that all of a sudden, when that contesting candidate was trailing behind by 24,000 votes, announcement was stopped by this Observer for reasons unknown to me. I also inquired into it. I beg to refer to this matter in this House only to assert the fact that Observers should not be given such a high power. He should not be given an autocratic power. This is my contention.

At the same time, I beg to mention that another important feature of this Bill is security deposit of candidates. It is justified that the security deposit should be raised higher. It should be raised to Rs 5,000 or more and in respect of Scheduled Caste and Scheduled Tribe candidates, it should be Rs. 2,500 and not more than that. This is my humble suggestion in this regard.

I want a comprehensive Bill and if necessary, we will give our suggestions for arriving at a consensus. Thank you.

SHRI I.D. SWAMI: Madam Chairperson, though my party and I are compelled to support this Bill because of the consensus arrived at amongst the leaders to support this Bill, I would say that this half-hearted attempt does not satisfy anybody. I had been a Returning Officer from 1956 to 1987 and my experience is that you may give whatever power to them, until and unless a comprehensive Bill containing everything in it comes up, it will not help. The Returning Officers are already armed with two Acts earlier - Representation of People Act, 1950 and Representation of People Act, 1951. Now, this amending Bill is also coming up. It is also promised that another comprehensive Bill would come. Still, we have not been able to take care of the code of conduct, whether it is to be made statutory or not, whether photo identity cards are to be made compulsory or not. I would only say that so far as photo identity cards are concerned, colossal waste of this nation has already taken place. The Government will have to take a decision, after thinking over it, whether this process is to be stopped. In all the States, crores of rupees have already been spent on this. Moreover, it is a continuous process because as soon as a person attains the age of 18 years, his name will have to be included. There is summary revision of rolls every six month. Whenever there is election or bye-election, again there is summary revision. On every 1st January, there is revision of electoral rolls again. Then, we know that booth capturing is not going to be stopped by photo identity card; only some percentage of impersonation can be stopped. Even that will not be very practical because in those villages, in those parts of the country and in those parts of the State where muscle power is used very much, what is done is that the poor, down-trodden people are called to the chaupal by the land owners, by the Right Holders and are asked what is their opinion. They have to say

[Translation]

"We want to do whatever you like. Our vote is for you." And then the land owners say, "Good we have reviewed your vote."

[English]

This would facilitate the process of usurping their right to vote because they would collect their photo identity cards and keep the cards with themselves and let the poor people sleep over as without photo identity card, they cannot vote. So, this waste of money should be stopped forthwith.

Then, what about the code of conduct? It has also not yet been decided whether the code of conduct is to be made statutory or not. So far as Observers are

concerned, I would say that even if the Observers - the IAS officers or anybody else - are posted from the same State, they cannot be that much objective. The experience of the Supreme Court and High Courts is there. The Supreme Court has been making transfer of the High Court judges of one region to other region and the results are perceptibly very healthy.

Similarly, if at all the observers have to be sent, they should be sent from the Government of India or from one region to another region. So, from the State, if the Observers go, they would not be that effective in that very State.

MR. CHAIRMAN: Since the allotted time has been finished, let us extend the time of the House by another half-an-hour.

SEVERAL MEMBERS: Yes.

SHRI I.D. SWAMI: Madam, with regard to counting of votes, nothing has been mentioned. In the counting of votes, what has been our experience is that, sometimes, in one election, instructions come saying that counting could be done booth-wise; in another election, another set of instruction from the Election Commission comes saying that there would be two counts, and the counting would be done by mixing of the ballot papers which would mean that all the people would be sitting together for 18 to 24 hours. The main difficulty is for the candidates and their counting agents. What happens is that the signatures of the counting agents with photocopies would have to be taken before the Returning Officer. It is a very long-drawn process and it takes hours together. After appointing the counting agents, those counting agents cannot sit for 24 hours and 48 hours. Counting has been continuing for 48 hours in any constituencies. So far as the counting supervisors, the counting assistants of the Government staff is concerned, they are replaced after eight hours or ten hours, but the counting agents of the candidates are never allowed to be replaced. How can it be physically possible for anybody to sit for 48 hours? If you happened to see those places - counting halls - where the counting agents are made to sit, they would look as if they were bound in a zoo, and these counting agents, one after another, would be jumping up and seeing from a distance because barbed wire was put in front of these counting agents. So, once for all, the Government has to take a decision in this regard.

If we see, the only argument which is being given for mixing of the ballot papers before the counting is that the people would not be able to know which particular section had voted for which person or for which candidate. But in a political process, in 1952, the first election was fought in this country and till now we have fought so many elections, we are still afraid that it would be known that which section or people have voted for us or for a particular candidate. I must point



out that it is only in the nature of political process. Those people who are participants in this political process, in this democratic process, they have the right to know where he is feeling weak, where the section of the people are not with him and what he should do to improve upon his electoral chances in the next election. He is not only denied of this right, but unnecessary burden is also put on the total machinery of the Government and the candidate and his election agents for 48 hours. If whatever discretion has been given to the Returning Officer, if he uses that discretion - in a parliamentary election when he says that recounting is allowed - it means another 48 hours or 70 hours is spent on that. That is the main difficulty in the counting.

I would like to make one major point. This, of course, is challengeable in the courts of law. If we want to diminish the number of candidates, then raising the amount of security upto Rs. 5,000 or Rs. 10,000 is not going to help. It is because those people, those candidates who think that their political agents, their counting agents, their polling agents should be more than one, that half a dozen people should be there, that dummy candidates are always put up by all candidates, by all parties, could well afford to pay Rs. 5,000 or Rs. 10,000 and they do not mind even if that security is forfeited. In a democratic process, if the political parties have a major role to play, whether recognised parties or all India parties, then the political parties only should be allowed to put up the candidates and the independent candidates should not be allowed. Maybe, this will be challenged in the courts of law.

The right of contesting the election to an independent candidate is being denied. But we must think of some remedy. Article 14 would come in. No doubt about it. I am cognizant of that. But all the same, just raising the figure from Rs.5,000/to Rs.6,000/- and from Rs.500/- to Rs.1,000/- will not matter at all.

So far as the question of drawing of the list of candidates is concerned, it is a very minor point. Our honourable very elder Member has said about the recognised parties and All India parties. I think it is only for drawing the alphabetical order of the list of candidates. For no other purpose, this amendment will come in. First they would take the All India recognised political parties and then the other parties. This is the only way by which you can alphabetically draw a sensible list of candidates for election.

There was a point raised by Shri George Fernandes. The result of the poll at the polling station cannot be ascertained. This is Section 20 (b). He said that if a small crime is committed, even that should be punished. We have no objection to that. Every crime has to be punished. Stringent provisions are being made for that. But there are people who would not only destroy on one counting table certain ballot paper but also select one person for this

purpose. He can be hauled up for that and he may not even go to jail because there is such a long and tardy process of the judiciary that he may ultimately get acquitted and by destroying a few ballot papers on one counting table, he can get the whole process nullified because he knows that he is losing that election. So, though the Returning Officer or the Observer is authorised to do it, he must satisfy himself that if the result is going to be affected adversely, very badly or if it is not possible to ascertain which candidate is winning, then only this result should be withheld or counting should be stopped or the poll should be reordered. Otherwise, every candidate who knows that he is losing shall detail hire, as is the practice in our country, for booth capturing. He will hire a goonda at one or two counting tables, who have destroy a few ballot papers and the whole effect of the Government as well of the candidate as well as of their agent and the people of large would be nullified only by doing this small mischief.

With these words, I do support the Bill because my party has supported it. I am thankful to you for giving me an opportunity though at this late hour.

SHRI S.K. KARVENDHAN (Palani): Respected Chairperson, I rise to support the Bill. I am happy to welcome the bold step taken by the Law Minister to introduce amendments to the Representation of the Peoples Act.

First of all, in Section 20 (b) appointment of observers to deal with election and counting is welcome.

With respect to Section 33 and Section 24, new amendments are introduced to avoid more number of candidates. I would like to mention one example. In the recent Assembly elections in Tamil Nadu, more than 1,000 independent candidates contested in the elections. The election has been postponed. Sections 33 and 34 will avoid more number of independent candidates.

With respect of Section 34, my submission, is, that the amount of Rs.5,000/ for nomination of candidates has to be increased to Rs.10,000/-. With respect to Scheduled Castes and Scheduled Tribes, it may be Rs. 2,500/- and most of our Members here accept it. But my opinion is that it has to be reduced.

With respect of Section 52 also, an amendment is proposed. So far, elections should not be postponed on account of death of a candidate. I welcome this amendment. Most of the party candidates spend a huge amount of money while contesting elections. If an election is postponed on account of death of any candidate, it will spoil the chances of all the candidates. I welcome this amendment also.

With respect to Section 127, they have given some amendments. The previous Section says "three months

or with fine which may extend to one thousand rupees". Now, this amendment says "six months or with fine which may extend to two thousand rupees". In this, the amendment is treated as a cognizable offence and an officer can arrest the person, who acts against law, without warrant. I kindly submit that this has to be amended and made a non-bailable Section in order to put the person in jail. It will avoid criminalisation of politics and elections.

With respect to Section 126, they have given so many amendments. My only submission is that all candidates and recognised parties should be given opportunity to speak on television. It will avoid more expenses. In foreign countries, they are following this practice and giving a chance to all candidates to appear on the television or any media before the election is announced. That opportunity must be given in India also. It will avoid expenses also.

Therefore, I support this Bill. More over, some amendments are necessary. If an opportunity is given, on behalf of my Party, I would like to say that we will definitely utilise it and present our point of view.

With these words, I conclude.

[Translation]

DR. SATYANARAYAN JATIA (Ujjain) : Madam Chairperson, the efforts being made by us to make the democracy meaningful are only superfluous. The democracy will be meaningful only when we plunge again into the struggle of that magnitude as we did for attaining independence only then every citizen of the country will be able to improve the lot and experience the feeling of independence, as has been enshrined clearly in the preamble of the Constitution of India that "We the people of India having solemnly resolved to constitute India into a sovereign socialist secular democratic republic and to secure to all its citizens justice social, economic and political; liberty of thought, expression...". Every citizen must have the feeling of independence but we are noticing that democracy has been continuously becoming weaker for the last fifty years. If democracy is depleting, we are taking it very lightly. If somebody enters the Government he is happy and contented and becomes influential. And the person who is no more in the Government, loses his influence. But this will not suffice. We should also think of the masses who vote for those people who form the Government. We should pause and ponder for a while as to what improvement we have brought in the condition of the people at large. I would like to ask what improvement have we brought:

"Jab manavta ki peer wahi, tasveer wahi,

Badal gaya hai kuchh logon ka jeevan,

kintu aansoo peene waalon ka parivaar wahi".

We should, therefore, bring independence for these people. If we do not want to bring meaningful

independence for these people, it is not going to do any good to the country the systems which have been suggested are only in the name. The man today has become worse than a stone:

"Pathar se pathhar ka rishta hota nahin hai,

Aur pathharon ke dard par koi rota nahin hai.

Pathhar ne kab dikhaya pathharon ko raasta,

Aur pathharon ne kab rakha hai pathharon se waasta.

Pathhar ke raaj ko jaanta hai pathhar

kintu pathhar se bane cement se judkar

pathhar ho jaata hai pathhar,

yeh aadmi hi hai ki aadmiyat se judta nahin

Aisaa lagtaa hai ki pathhar se bhi badtar

ho gaya hai aadmi."

If a human being becomes conscious of the human feelings, it can be said that the people have achieved democracy. Therefore, the Government should consider all the suggestions made and the proposals submitted. We have made the electoral procedure complicated. In so far as the electoral rolls are concerned, if no names are included therein, how are the elections going to be held. Every citizen, therefore, should have the responsibility to cast his vote. Voting should be made compulsory. That should be his contribution towards democracy. It appears that the intellectual class does not exercise their franchise and the class other than the intellectuals is at a loss to understand as to what to do with his vote. Therefore, there is a need to educate the voter. The way democracy is being run for the last fifty years has failed to achieve meaningful democracy. Therefore, until a person becomes fully conscious of his voting right, this system has no meaning. To achieve this end, we have to reduce the distance of polling booths. In the urban areas, it should not be more than one kilometer while in the rural areas also it should be so near that the voter can easily go and cast his vote.

The increase in the ceiling of election expenses and security deposit is not going to help. The way election expenses accounts are maintained and submitted is just a deception. In this way we are declining the democracy; we are deceiving the rules and regulations. We declare that we have submitted the accounts of expenses within the prescribed limit. In fact these accounts do not reflect the actual expenses. I would, therefore, like to submit that the election expenses should be increased by the State and not by the candidates. The Government should take steps towards this direction.

The Government propose to limit the election propaganda to fourteen days. Fourteen days will not be sufficient at all for election propaganda for a Parliamentary Constituency. Twenty-five days are not enough and even sixty days are not enough. The voting

should, therefore take place within a week of the date of withdrawal of names. If somebody is fighting elections, as an independent candidate, he will win the elections according to his capability and if somebody is contesting on party-ticket, he will win on the basis of party programme. We should make such arrangement as could promote faith in democracy. Money-power, muscle-power and manipulation of estimates should be done away with. Only then, then democracy can be purified. In a way, this beginning is quite good and we should resolve to take it further in all honesty so that the democracy can become meaningful. The step we have taken to achieve this goal should be further strengthened.

Yeh kadam badha, who kadam badhe,  
hum kadam badhaen manzil tak,  
yeh paudh lage, woh paudh lage,  
badh jaaen chhaen manzil tak,  
Sab duniya dost hamari hai,  
har kali-kali phulwari hai  
Kya baat bade ya chhote ki,  
har koi murat pyari hai,  
Inko pranam, unko sijda, sau,  
sau aashaen manzil tak.

May our democracy prosper. With these words I conclude.

SHRI RAJIV PRATAP RUDY : Madam, Chairperson, I wanted to discuss the provision of this Bill in detail but I do not think it proper now because the time allotted is less. During the debate on this Bill, we have expressed our views. Insofar as our efforts towards electoral reforms are concerned, we have to go to the very roots, with a view to eliminating irregularities and rigging taking place in the elections. Once we know, how wide-spread these irregularities have become, it will be easier for us to formulate a strategy in connection with electoral reforms and achieve full success in our ventures.

I would now like to speak about the amendments submitted by me. I have given notice of an amendment particularly in connection with the role of the observers. The position which obtains at present is that the observers visit the polling stations but they have no legal power with them and can only issue directions and establish contact with the Election Commission. I have asked in my amendments that the observers should be armed with more power particularly in case of Bihar, where it is beyond the imagination of anybody as to what method is adopted there while polling is going on. The Government is talking of some law and order here, but I would like to submit that where it is the question of people standing in queue and there are a few cases of impersonation, one can talk of electoral reforms but there are places where the voters do not at all go to the polling station but even then the polling there is cent per cent. All our hon. Members are present here. There

is republic in the country but the situation obtaining in Bihar today... (Interruptions).

Everyone has been returned to Lok Sabha in this very fashion. The hon. Minister is present here and I would like him to examine the conditions prevailing in Bihar separately if he wants to see the republic alive and to create some basis for bringing about some change in the election laws in the country. Only thereafter, the poll should be conducted. If you set Bihar in order, all your election reforms will be successful in the country. Three to four persons go to the polling booth and decide as to who will get the votes of the entire village. In Bihar, it is the officers who decide the way of voting.

I may tell you by way of an example that the party whose Government is there in the State, that party decides on which polling booth B.S.F. has to be deployed, and the booth where district level police has to be deployed. The decision is taken to this regard also as to which officer would be posted at which place. If it is Assembly Constituency having one hundred fifty to three hundred polling stations, and out of those, one is able to "manage" thirty to forty stations through the officers and anti-social elements, one is sure to return to the Assembly.

The same thing happens in the case of Parliamentary elections if out of about one thousand polling booths, one hundred fifty to two hundred booths are similarly "managed". I know what happens before the elections. If the police officer in your assembly constituency is against you, he apprehends your party-workers under Section 107 overnight and puts them in jail. Then the next day, he deploys his force there and you cannot go there. I would like to tell the hon. Minister that a large number of voters are affected this way.

I have given notice of an amendment particularly to provide for more power to the observers. My amendment provides for stringent punishment to those officers who tamper with the election procedure and indulge in booth-capturing themselves; the officers who tamper with visit the polling booths many times, threaten the voters and make them flee from the booths. Harsh punishment should be provided for such officers so that the arbitrariness of the bureaucrats, which is playing a decisive role in the election, is eliminated.

My other point is how the authorities are going to detect whether booth-capturing has taken place in some constituency or not. I can tell about North Bihar. If you go to a polling both there, you will find that out of 1000 votes, 999 votes have been polled. Is it possible anywhere in the country where 999 out of 1000 votes have been polled. In this context, I would like to ask the hon. Minister present here as to what electoral reforms he is talking of when the Government does not consider these points and eliminate these irregularities. Even

fake signatures of the presiding officers of the polling booths are appended. Until you take stock of this situation, your efforts are not going to fructify. I am repeating all this because it has become necessary now to examine these things. Vaishali was greatest republic in Bihar in the past and democracy in that very place has suffered most now. This malady is spreading to more and more areas and someday it will engulf the entire country, and your skin-deep poll reforms will fail miserably.

Today, Bihar is the victim of this ailment, tomorrow it will be Kerala, then Karnataka and then the entire country. This is why I am drawing the attention of the hon. Minister and this august House to the need of embarking upon corrective measures in Bihar. This will prove beneficial for the whole country and the Government will succeed in their efforts regarding electoral reforms.

Madam Chairperson, I had been hearing that a comprehensive Bill would be brought but the present Bill is only a small one. It is essential for the future of the country and for the democracy that the entire Bill is reconsidered and keeping the example of Bihar in view, more amendments are brought and incorporated in this Bill.

[English]

SHRI SRIBALLAV PANIGRAHI : Madam, kindly let us rise for the day. Feel the pulse of the employees also.

SHRI A.C. JOS : No more extension, please.

MR. CHAIRMAN : We will extend for 15 minutes only. I feel for the employees as much as you do, if not more. There are two or three speakers.

[Translation]

SHRI SRIBALLAV PANIGRAHI : Madam, you are not comprehending the situation. There is strong reaction amongst the employees. (Interruptions)

SHRI VIRENDRA KUMAR SINGH (Aurangabad) : Madam Chairperson, I have to make a suggestion in this regard. Polling arrangements should be made second time in those booths which are boycotted and afterwards arrangements for polling were made only in case of five booths. When such arrangements were made and polling conducted, the voters did come to cast their votes. Therefore, arrangements should be made again for polling at all such booths.

My second point is that the provision for contesting election from two constituencies should be done away with. Such provision is an insult to the people and democracy as the Members have to resign their seat from one constituency.

My next point is that the provision to fight the election should be limited to this extent that a person can contest

from the State where that person is a voter. The system of fighting election from other State should be scrapped.

SHRI SRIBALLAV PANIGRAHI : This will not be done.

SHRI VIRENDRA KUMAR SINGH : If not, let it be so. Not adding anything particular. Madam, I support the Bill.

SHRI VIJAY GOEL (Sadar - Delhi) : Madam Chairperson, I am thankful to you that you have granted me time to speak. It is already very late today. The way the Government has brought this Bill shows that this is an incomplete Bill. I recapitulate two lines of a song:

yeh uthal-puthal uttaal lahar.

Patte na digaana paaegi.

Patwar chalaate jaaenge.

Manzil aaegi, aaegi.

The Government has made a beginning and I feel that a detailed Bill will also be brought by Government. I would like to dwell upon some two to three points in this connection. In case these points appeal to the law Minister, he can take them into consideration. Firstly, no qualification has been laid down for a candidate contesting election. Even for the post of a peon in the country, the minimum qualification has been prescribed but no minimum qualification has been laid down for a person desiring to contest Parliamentary election.

AN HON. MEMBER : This is an anti-democratic suggestion.

SHRI VIJAY GOEL : I am of the view that there should be minimum qualifications for the MPs. Secondly, I would like to say that the scrutiny of the nomination papers have now lost its importance. A person who proposes to fight an election of such a great magnitude, and earns popularity amongst his people is sometimes rejected on the basis of some flaw detected during scrutiny of nomination papers. This point has to be taken into serious consideration. This is agreeable that there are some conditions to be fulfilled for nomination, but the officer concerned can help in filling of those forms and mistakes, if any, can be rectified. The mistakes regarding filling in the name or date of birth should not be taken serious note of and should be rectified. There should not be any rejection of nomination papers on this plea.

Thirdly, the election expenses should be borne by the State. Further every candidate should be extended an opportunity for a debate on Television. There should be separate debate for each constituency and also the candidates should be provided an opportunity for these debates.

A ceiling of fourteen days has been fixed for election propaganda. Even in my small constituency ... (Interruptions)

MR. CHAIRPERSON : This point has already been covered.

SHRI VIJAY GOEL : In the end, I would like to say that the candidate should not have any right to ask for recounting of the votes irrespective of the fact that he may be losing by any number of votes. I am giving this suggestion on the basis of my personal experience. What happens is that the counting goes on during the whole night and no objection is taken by the rival candidate but as soon as he comes to know that he is losing by 1600 or two thousand votes, then he appears at once and says that the counting has not been done fairly. It should be ensured that no candidate should raise an objection at this stage.

I would like to draw the attention of the hon. Law Minister to the provision at page 3, Section 33 which says :

[English]

"Provided further that no nomination papers shall be delivered to the Returning Officer on a day which is a public holiday".

[Translation]

I would like to submit that you should not direct the candidate, but amend this provision at your end itself as follows:

[English]

"provided further that no nomination papers shall be received by the Returning Officer on a day ..."

[Translation]

If he does not receive the nomination papers on that day, the question of submitting them does not arise.

Then, I have to submit that the money we deposit as security should not have the nomenclature of "security deposit". This should be termed as "election fee" because a lot of time is spent to ascertain as to how many votes were polled by which candidate. Today when lakhs of rupees are being spent in election and the Election Commission itself has fixed limit of four lakh fifty thousand rupees, the amount of rupees five thousand fixed as security deposit and its reimbursement afterwards has lost its importance.

I am in support of the view that a candidate should have the right of contesting from only one place.

In the end, I have to submit that there should be some arrangement to check the menace of bogus and non-serious candidates. The problem of some office-bearer of a recognised party becoming the counting agent or polling incharge of some independent candidate should also be looked into.

With these words, I conclude.

SHRI KALPNATH RAI : Madam Chairperson I will give my opinion on some points and conclude. I support this bill wholeheartedly. In my opinion, the security deposit should not be less than ten thousand rupees.

The population in Lok Sabha constituencies in the entire country is different. Somewhere it is 40 lakhs while in other it is three lakhs or just one lakh. How is this going to work? If the population of the country is ninety crore and 543 Members have to be elected for Lok Sabha, the average comes to 16 lakh people per candidate. The number of seats for Members of Parliament should be decided on the basis of population of a place.

The expenses ceiling of rupees four lakh and a half is totally wrong. And the ceiling on election propaganda should not be less than 21 days at any cost. It is difficult for anybody to establish contact with ten to fifteen lakh voters in short period. The period of 21 days election propaganda fixed by Nehruji and other great leaders should be retained, and the elections held on the basis of population. I can say it with a challenge that no Member of Parliament can be returned to Lok Sabha with the expenses limit of four lakh fifty thousand. Now the Members will be returned to Lok Sabha only after fourteen days election propaganda whether they belong to C.P.M., C.P.I., Congress or B.J.P. We ourselves have become so much selfish that all times we are thinking of our own interest. But I am of the firm view that today in the entire country there is no person more honest than the M.P.s, M.L.A.s or other persons serving as politicians. If there is a debate on the point, I can prove that there is nobody more honest than them. I would like to say that there were election in 1989 when 75 per cent M.P.s lost their seats and then in 1991 elections 75 per cent of the M.P.s who won in 1989 were defeated at the hustings. In the present election 330 M.P.s have lost their seats. After life long sacrifice a person is returned as an M.P. once or twice from amongst the ninety percent people, i.e., ninety per cent people lose the election just after first term. It is with great difficulty the candidates are successful for three or four terms and hon. Members like Indrajit Gupta, Somnath Chatterjee and George Fernandes fall under the category and they are hardly two per cent their number may be fifteen to twenty... (Interruptions) or may be twenty-five. I would like to ask you that the opportunity which we get to speak in this House, that opportunity is spent on discussing wrong things day in, day out here. The electoral reforms are discussed for four to six days. I would like to ask what is the use of this discussion until you fix the election expenses honestly. The C.P.M. people represent the poor classes of the country. Let them form a committee and fix this amount. This will be agreeable to us.

The other point I would like to touch is that each of us is the representative of twelve to fifteen lakh people... (Interruptions).

MR. CHAIRMAN : The House has only two minutes to go and I will not extend the time further.

SHRI KALPNATH RAI : As far as electoral reforms are concerned I would like to submit that there should be a detailed discussion thereon running into three or four days to one week and every Member should express his opinion so that a national consensus is evolved. The electoral reforms should be undertaken only thereafter.

MR. CHAIRMAN : There is a statement by Shri Raghuvansh Prasad Singhji but it is not going to be made now.

SHRI SRIKANTA JENA : We will take it up on the 30th morning...(Interruptions).

MR. CHAIRMAN : So, I thank all the Members and particularly the staff of the Secretariat who have gone through this ordeal by sitting late yesterday and today

*Now the House stands adjourned to meet at 11 a.m. on Tuesday, 30th July, 1996.*

19.45 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, July 30, 1996/Sravana 8 1918 (Saka).*