

economics. What is a debt? Debt means we are using the savings of another country. If the savings of another country can be used in our country that is good. What is important is what the hon. Member Shri Mahajan mentioned and that is, are we in a position to service that debt without detriment to our macro-economic stability?

**SHRI S. BANGARAPPA :** Sir, keeping in view the position prevailing in Mexico and keeping in view the strength of production and export in our country, are you in a position to say that our country's financial situation is well enough or to say that we have not yet reached an alarming stage as far as raising of these loans - domestic or global - is concerned? People are meeting those demands to clear off the debts.

**SHRI P. CHIDAMBARAM :** Sir, I am not an expert on Mexico but I have read some papers on the Mexican crisis which led to a collapse. The real reason was that Mexico had a very high Proportions of short-term debt and their management of the currency was very poor. But anyway, I am not drawing any comfort from that fact. All I am saying is that our export growth is high. Our GDP is growing between six per cent and seven per cent a year. If we continue to pursue the policies which will attract foreign investment. The NRI deposits as well as earnings through tourism, it will be good. As long as foreign inflows in the country are good, there is no danger of a debt trap. The External Debt Report says: "It is a matter of concern." But I will not use any harsher or stronger word like "alarming". We must be very careful and prudent in managing the debt. But we are confident that we can manage our debt.

**SHRI NIRMAL KANTI CHATTERJEE :** Firstly, I am intrigued by the figure. In terms of his Budget statement, our debt servicing in the current year would be Rs. 60,000 crore. Last year, it was Rs. 52,000. But as I add up, the figures do not exist. For instance, at the end of September, 1995 the interest payment for external debt was 4476 million dollars and the internal interest payment was Rs. 47,000 crore. These two together would come to Rs. 60,000 crore. While his statement says, at the end of the current year, it is Rs. 52,000 crore.

**MR. SPEAKER :** I you want an answer, put your question quickly.

**SHRI NIRMAL KANTI CHATTERJEE :** It is very easy to manage the debt service ratio. It is because we have a growth rate of seven per cent and inflation rate of 10 percent. So, you take into account this 17 percent as an addition.

**SHRI P. CHIDAMBARAM :** I am very grateful for the second part. It is very supportive. But the first question is indeed very perceptive. The external debt service of 4.4 billion dollars is the debt servicing not only on Government account but also on private, and commercial account. That debt servicing includes commercial borrowings. The figures add up to the last rupee. The

domestic debt servicing is Rs. 47,101 crore. The external debt servicing on Government account is Rs. 4899 crore. The total comes to Rs. 52,000 crore. This 4.4 billion dollars includes, not only Government debt servicing but it also includes debts contracted by private or commercial companies, the exports etc. Those figures are not addable.

## WRITTEN ANSWERS TO QUESTIONS

### Market for Textile Industry

\*325. **SHRI KRISHAN LAL SHARMA :** Will the Minister of TEXTILES be pleased to state :

(a) whether the Indian textiles and garment industry is losing its market abroad because of not enforcing quality control and delay in delivery schedules; and

(b) if so, the steps taken by the Government in this regard?

**THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):**  
(a) There are no reports of our textiles and garment industry as a whole losing their market abroad because of not enforcing quality control and delays in adhering to delivery schedules. However, it may be true for some individual exporters.

(b) Does not arise.

### Delay in Export Proceeds by MMTC

\*326. **SHRI AMAR PAL SINGH :** Will the Minister of COMMERCE be pleased to state :

(a) whether the attention of the Government has been drawn to the news item appearing in the Economic Times dated June 27, 1996 under captioned "MMTC blacklisted for export proceeds delay";

(b) if so, the reasons for delay in realisation of the export proceeds; and

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

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLABULLI RAMAIAH) :** (a) to (c). The news item has come to Government's attention. It may be clarified that MMTC had not been "blacklisted" for delay in realisation of export proceeds. The Reserve Bank of India had issued certain directions on the subject of MMTC in January, 1996. These directions were withdrawn as soon as MMTC represented the matter with RBI in February, 1996. It may be pointed out that as against total exports by MMTC of Rs. 1,320 crores in 1995-96, the outstandings as on 31st December '95 were only Rs. 50.11 crores, i.e. less than 5%. The reasons for delay in the realisation of export proceeds include non-payment for wheat exports by a

country due to financial stringency, non-payment due to bankruptcy of overseas buyers, and commercial disputes, etc. MMTC have taken legal steps wherever feasible to realise the export proceeds.

[Translation]

#### Closure of Textile Mills

\*327. SHRI RATILAL KALIDAS VARMA :  
SHRI CHANDRESH PATEL :

Will the Minister of TEXTILES be pleased to state :

(a) the number of workers working in the textile mills of Gujarat;

(b) whether a large number of workers of textile mills in Gujarat have been rendered jobless due to closure;

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

(d) the steps being taken by the Government to revive those mills; and

(e) the assistance provided by the Government for modernisation and renovation of sick/closed textile mills of Gujarat?

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

(a) The number of workers working in textile mills of Gujarat is 1.78 lakhs approx.

(b) and (c). As on 31.3.96, no Cotton/Man-made Fibre Textile Mill was closed under I.D. Act in Gujarat. 23 mills were closed under liquidation and 32 mills were closed mainly due to financial difficulties. Number of workers affected was 93741.

(d) and (e). 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.

Government had disbursed an amount of Rs. 180.00 crs. as on 31.12.93 as modernisation assistance in respect of 47 cases in Gujarat under Textile Modernisation Fund Scheme.

[English]

#### NTC Mills in M.P.

\*328. SHRI THAWAR CHAND GEHLOT : Will the Minister of TEXTILES be pleased to state :

(a) the total number of mills operated by National Textile Corporation;

(b) the details of the scheme, if any for their rationalisation and smooth operation;

(c) the main points being considered by the Government under rationalisation policy; and

(d) the steps taken by the Union Government to provides sufficient funds for their smooth operation and implementation of rationalisation scheme particularly in the units of Madhya Pradesh?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) There are 120 nationalised mills under the National Textile Corporation Ltd. (Holding Company) and its nine subsidiary corporations.

(b) to (d). On account of obsolete machinery due to lack of modernisation and acute shortage of working capital, the NTC has been incurring losses leading to its net worth erosion. As a result, 8 out of 9 subsidiary corporations of NTC have been referred to and declared sick by the BIFR. Government has approved a revised Turn Around Plan in 1995 for NTC mills involving modernisation of 79 mills at a cost of Rs. 2005.72 crores, restructuring of 36 unviable mills into 18 viable units, rationalisation of surplus workforce etc. This plan is generally in line with the modernisation plan prepared by the Textile Research Associations. The funds for modernisation will be raised from sale of surplus lands and assets of NTC mills. The revised Turn Around Plan covers the seven mills under NTC (MP) Ltd. Out of the 7 mills under NTC (MP), 2 unviable mills will be merged into one viable unit and the remaining six units are proposed to be modernised at an outlay of Rs. 203.69 crores. The modernisation plan has been placed before the BIFR for their approval before implementation. Meanwhile to avoid any hardship to the workers, Government has been meeting the shortfall faced by NTC mills in payment of wages and salaries.

[Translation]

#### Fire in Coal Mines

\*329. SHRI KACHARU BHAU RAUT : Will the Minister of COAL be pleased to state :

(a) whether fire in the various coal mines of the country particularly in Dhanbad has endangered the lives of lakhs of people;

(b) if so, the details of loss of life and property due to fire in coal mines; and

(c) the steps taken/proposed to be taken by the Government to control and extinguish fire to save the coal reserves and lives and property of lakhs of people?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) No, Sir. However, shallow coal mine fires particularly in Jharia Coalfield in Dhanbad District are likely to affect persons living around these fires necessitating their shifting from the fire areas.

(b) While no loss of life has been reported, damage to some property has occurred due to these shallow coal mine fires. The loss of coal in these fires is unavoidable on account of the coal being the main