

(b) A decision about the declaration of new National Highways in various States including Karnataka can be taken only after finalisation of the 8th Five Year Plan.

Allocation of foreign exchange to Companies

370. **SHRI KARIA MUNDA** : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 848 on March 16, 1990 and state :

(a) whether any of the companies mentioned therein have been allocated foreign exchange amounting to more than Rupees Two Crores in a year for meeting expenses abroad;

(b) if so, the details thereof; and

(c) whether the Government propose to reduce the allocation of foreign exchange to them till recovery of the excise duty is made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) : The companies mentioned in the reply to the unstarred Question No. 848 on March 16, 1990 are : (i) M/s. ITC Ltd., (ii) M/s. Godfrey Philips India Ltd. and (iii) M/s. Voltas Ltd. No foreign exchange is allocated by the Government to companies. However, permission to use foreign exchange for expenses abroad is granted by the Reserve Bank of India under the relevant provisions of the Foreign Exchange Regulations. Out of the three companies mentioned above, only one, namely, M/s. ITC Ltd. has been allowed to make remittance amounting to more than Rupees Two Crores as follows :

- (i) Maintenance of overseas offices : Rs. 383.73 lakhs per annum
- (ii) Blanket Permit or Export Promotion: Rs. 200.00 lakhs (For one year valid upto 31st March, 1992).

(c) The cases involving evasion of excise duty are under adjudication. The Reserve Bank of India allocates foreign exchange for the purposes mentioned

above, based on the size of foreign exchange transactions and the export performance of the company. The Reserve Bank of India does not include recovery of excise duty as one of the criteria.

[Translation]

Investment by Banks and Financial Institutions in Bihar

*371. **SHRI RAM LAKHAN SINGH YADAV** : Will the Minister of FINANCE be pleased to state :

(a) the amount invested by the Life Insurance Corporation, General Insurance Corporation and various banks in Bihar; separately during the last three years;

(b) whether the Union Government propose to encourage the banks and financial institutions to invest more capital in Bihar; and

(c) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (c) The amount invested by the Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) in Bihar during the last 3 years is given below :

Year	Amount (Rupees in Crores)	
	L. I. C.	G. I. C.
1988-89	71.07	17.83
1989-90	107.83	24.00
1990-91	63.80	8.58

Bulk of the investment by LIC and GIC is made in Central and State Government securities, other Government guaranteed marketable securities such as bonds of financial institutions etc. Besides, LIC and GIC also advance loans for approved purposes in the socially oriented sector like housing, water supply etc. in accordance with the investment guidelines approved by the Government and as per annual allocations made by the Planning Commission. LIC and GIC also invest in debentures/shares of public limited companies in the private sector.

2. As regards banks, the amount of outstanding credit and aggregate deposits and the credit deposit ratio of all scheduled commercial banks in Bihar is given below :

(Amount Rs. in Crores)

Year	Deposits	Credits	C.D. Ratio
March, 1989	7091.62	2804.86	39.6
March, 1990	8253.02	3304.08	40.0
December, 1990	8793.43	3408.74	38.8

3. The actual level of credit in relation to locally mobilised deposits in a particular State or Region depends upon the credit absorption capacity of the State/Region which in turn is determined and influenced by factors such as development of infrastructural facilities. The banks as well as financial institutions have been advised to ensure that wide regional disparities among various States in credit deployment are avoided and effective steps are taken to ensure increased flow of credit to all productive and viable proposals in deficient areas.

[English] 29

Alleged flight of capital in South East Asia

*372. DR. LAXMINARAYAN PANDEYA }
SHRI ATAL BIHARI } Will
VAJPAYEE }

the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news item captioned 'Flight of Capital to S-E Asia' appearing in *The Statesman* of June 29, 1991;

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

(c) the steps taken or proposed to be taken by the Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) :

(a) Yes, Sir.

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(b) There was some evidence that in the last few months capital was flowing out of India. In particular, there was a net outflow on account of non resident external accounts. However, the direction of these outflows is very difficult to establish.

(c) Government have taken a number of measures to enhance confidence in the Indian rupee and to halt capital outflow. These, include : adjustment in the exchange rate of the rupee as well as the fiscal strategy outlined in the Union budget for 1991-92.

[Translation] *Uttar Pradesh*
Development of Tea Gardens in U.P.

*375. SHRI KESHRI LAL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have formulated any scheme to develop tea gardens in Uttar Pradesh:

(b) if so, the details thereof and the areas where the said scheme is likely to be implemented;

(c) whether the existing tea gardens in these areas would also be benefited by this scheme; and

(d) if so, the details thereof and the estimated expenditure likely to be incurred thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) :

(a) to (d) A study by a consultancy firm, commissioned by Uttar Pradesh Government on development of tea in the hilly regions and Terai area of U.P. has been received.

The report envisages development of tea gardens in about 50,000 hectares of land in 25 districts in the areas of Garhwal, Kumaon and Terai. It also deals with rehabilitation of tea estates in Kausani, Vijaypur, Berinag, Chowkorie, Jhaltola and Cherapani.

The investment requirement has been assessed at Rs. 909 crores spread over a period of 33 years.