

given by the Government to encourage foreign investment in the country; and

(d) the expectations of the Government as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Such proposals when received when received are considered on merits.

(c) New Industrial Policy announced recently, has allowed approval for foreign direct investment upto 51% foreign equity in 34 high priority industries. Foreign equity proposals need not necessarily be accompanied by foreign technology agreement. Majority foreign equity holding upto 51% equity has also been allowed for trading companies predominantly engaged in export activities.

(d) It is expected that the measures as at (c) above will bear good results.

Hindustan shipyard Limited, Visakhapatnam

228. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Hindustan Shipyard Limited, Visakhapatnam is running in loss for the last several years;

(b) if so, the reasons therefor;

(c) whether the shipyard is not having sufficient orders to manufacture ships; and

(d) if so, the steps taken or proposed to be taken by the Government to make the shipyards economically viable?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT

(SHRI JAGDISH TYTLER) : (a) Yes, Sir.

(b) A number of factors contribute to the losses of Hindustan Shipyard. The more important ones are:

(a) Huge cost-price gap due to pricing formula;

(b) Long time over-runs in completion of ships;

(c) Huge interest burden arising out of borrowings for meeting the cost-price gap etc.

(d) Low productivity.

(c) Yes, Sir.

(d) A number of steps are under consideration of the Govt. for revival of HSL and other shipyards. These include capital restructuring, upward revision of Govt. subsidy payable for construction of ocean-going vessels, duty free ports upto 50% of the realisable price of vessel etc.

[Translation]

Construction of Defence roads from Moradabad to Tanda, Bajpur, Haldwani

229. SHRI BALRAJ PASSI: Will the Minister of DEFENCE be pleased to state:

(a) the total amount spent so far on the construction of defence, road from Moradabad to Tanda, Bajpur, Haldwani;

(b) whether the said road is in a dilapidated condition;

(c) whether work on this road is in progress as per schedule; and

(d) if not, the reasons therefor and the details of the progress of work?