

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

#### MMTC Projects in Orissa

424. SHRI K.P. SINGH DEO : Will the Minister of COMMERCE be pleased to state :

(a) whether the Minerals and Metals Trading Corporation of India Ltd. (MMTC) has made any plan to launch some projects in Orissa; and

(b) if so, the details thereof alongwith the estimated cost and the employment generation potentiality of those projects?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). MMTC is proposing to set up a one million tonne Steel Plant Project at Duburi in the State of Orissa with an estimated cost of Rs.1510 crores. The project will give direct employment to about 1750 people. MMTC is also planning to set up a Coke Oven Plant Project to produce 8.8 lakh tonnes of metallurgical coke and captive power plant of 55 MW capacity, at an estimated cost of Rs.480 crores. This project will provide direct employment opportunity to about 350 people.

#### Shortage of Coal

425. DR. T. SUBBARAMI REDDY : Will the Minister of COAL be pleased to state :

(a) whether the failure of public sector coal companies to invest in new projects during the last three years has triggered an acute demand and supply crisis in the country;

(b) if so, the details thereof; and

(c) the steps the Government propose to take in this regard including urging the public sector units to invest more in coal projects?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). Planning Commission has estimated raw coal demand of coal at 325.00 million tonnes during the year 1996-97. During this period domestic availability of coal is estimated at 290.65 million tonnes. Thus the gap between demand and availability of raw coal from domestic sources during the year 1996-97 would be 34.35 million tonnes.

The gap between demand and availability has increased partially due to sudden jump in demand and partially due to inability of coal companies to invest in new project due to resource constraints.

(c) To augment resources of public sector coal companies following measures have been taken :

(i) 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.

(ii) 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.

To augment supply of coal following other measures have been taken.

(i) Increasing efficiency and productivity in existing mines by modernisation, application of new technologies and ensuring timely availability of inputs and infrastructural facilities.

(ii) 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.

(iii) Steps are being taken to remove the bottlenecks in land acquisition.

(iv) Private sector companies engaged in production of iron and steel, cement and generation of power have been permitted to take up coal mining for captive consumption. This is expected to increase domestic coal production.

[Translation]

#### I.T. Evasion By Big Companies

426. SHRI ASHOK PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Income Tax Officers have detected some cases of Income Tax evasion by big companies of the country during the period between 1st July, 1996 to 10th November, 1996.

(b) whether the officers of Directorate of Enforcement have also conducted raids on some big companies for violation of FERA during the said period;

(c) if so, the details thereof;

(d) whether the alleged involvement of some Government officials in these cases has also been detected;

(e) if so, the details thereof; and

(f) the details of the action taken so far against the defaulter companies and alleged guilty officers?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Income Tax Department has detected instances of tax evasion in some such companies during the period between 1st July, 1996 to 10th November, 1996.

(b) to (f). The Enforcement Directorate has undertaken investigations under the provisions of Foreign Exchange Regulation Act, 1973 against two such companies viz M/s. I.T.C. Ltd. and M/s Shaw Wallace & Co. These investigations are continuing.

[English]

#### Production of Hank Yarn

427. SHRI SHARAD PAWAR : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government of Maharashtra has sent a proposal to exempt the Co-op. Spinning Mills from the obligation of 50% of their production of Yarn in hank form under the Textile (control) Order, 1986.

(b) whether the State Government assured that Co-op. Spinning Mills in Maharashtra will ensure adequate supply of hank yarn to the handloom weavers in the State;

(c) if so, the reaction of Government thereto; and

(d) the time by which the exemption is likely to be given?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) Yes, Sir.

(b) Yes, Sir.

(c) and (d). In fact reduction in the hank yarn obligation from 50% to about 29% only had been requested. The same was considered and it was decided that reduction in the obligation from 50% to a lower level is not possible as this will dilute the efforts made by the Government of India to provide adequate yarn to the handloom weavers.

#### Seizure of Fraudulent Claims of Insurance By C.B.I.

428. SHRI PRAMOD MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn towards the newsitem appearing in "Hindustan Times" dated October 17, 1996 under the caption "Insurance Racket Unearthed";

(b) if so, the details of files found missing from the divisional office of the Oriental Insurance Company till date;

(c) the details of fraudulent claims settled during each of the last three years and the amount involved therein;

(d) whether Government have received any complaints of corruption against the officials of the Insurance Company during the above period;

(e) if so, the detail thereof; and

(f) the action taken thereon?

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

(b) to (f). The Oriental Insurance Company Limited (OIC) have reported to have received an FIR from CBI, Jammu alleging a criminal conspiracy by some Officers/ Officials of Oriental, Srinagar to defraud the company by removing claim files from the Divisional Office to a residential building in Srinagar. 204 files were reportedly collected by CBI by raiding the house at Srinagar. OIC have intimated that 200 more files were collected by CBI from the Divisional Office of Oriental. The company is in touch with CBI to get the results of its investigation where-after the extent of fraud committed would be known as also persons involved, making the consequential actions to follow. However, vigilance clearance in respect of an accused Officer who retired w.e.f. 31.8.1996 and opted for pension, has been withheld.

#### National Renewal Fund

429. KUMARI SUSHILA TIRIYA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the National Renewal Fund is facing paucity of funds;

(b) if so, the reasons thereof;

(c) whether allocation for National Renewal Fund is steadily coming down and renewal programmes referred to it have been pending for long;

(d) if so, the reasons therefor;

(e) the details and the present status of pending proposals with their financial implications and availability of funds under NRF; and

(f) the details of funds sought by various State Governments with particular reference to Maharashtra under NRF as per pending proposals and action proposed thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). National Renewal Fund is not facing a paucity of funds to finance schemes permitted so far, i.e. Voluntary Retirement Scheme for Central Public Sector Undertakings and Scheme for workers counselling, retraining and redeployment.

(c) and (d). Budget allocation for National Renewal Fund has been declining but no proposals within the permissible schemes have been pending for long.

(e) and (f). The department have received proposals from State Governments amounting to Rs. 407.86 crores, including the proposals from the State Government of Maharashtra amounting to Rs. 74.83 crores. However, the assistance from the National Renewal Fund is presently restricted to Central Public Sector Undertakings.