

sector in an yearly basis as part of an ongoing exercise. The latest study in this series titled "Financial performance of IDBI Assisted Companies in the Private Corporate Sector 1990-91" analyses on a 3 year trend basis, covering the period 1988-89 to 1990-91, the working of a sample of 401 IDBI assisted companies based on their financial results. Though the Study reveals an all round improvement in the performance registered by the sample companies during 1990-91, it also indicates deceleration in the growth rate of sales, output and profitability ratios as compared to the performance in 1989-90.

On an analysis of the study it is felt that deceleration in the rate of growth of sales, gross profit, operating profit and profit after tax is not unexpected because due to increase in the size of the base and difficulties in increasing the market shares, rates of growth cannot be maintained. Further the exceptionally high growth rates in gross profits, operating profits, profits after tax are indicative of an excellent selection criteria of IDBI and do not indicate any worsening of performance.

In fact the study reveals that the financial ratios maintained by the sampled companies are good and are thus indicative of the sound health of these companies as would be observed from the following data:

- (i) The number of companies with negative rate of return has gone down from 27 in 1988-89 to 16 in 1989-90 and 11 in 1990-91.
- (ii) The number of companies earning more than 20% rate of return has increased from 111 in 1988 to 145 in 1989-90 and 150 in 1990-91.
- (iii) The rate of growth gross capital employed and gross fixed assets has increased. This demonstrates

great confidence of the companies in their future prospects and reveals that future growth is expected.

In the light of the above facts there does not appear to be a need for the Government to take any specific steps in this regard. The far-reaching structural changes encompassing industrial and trade policies initiated by the Government are expected to activate industrial growth.

Projects Funded by ADB

6065. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Indian Industry is witnessing a steady decline in begging projects funded by the Asian Development Bank (ADB);

(b) if so, the reasons therefor; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c). The award of contracts under International Competitive Bidding procedure followed by Asian Development Bank varies on the basis of the type and number of tenders floated which are suitable for Indian bidders, and the quality and competitiveness of the bids submitted. Government of India requests ADB to regularly conduct Business Opportunity Seminars, in order to educate Indian bidders regarding the procurement procedures of the Asian Development Bank.

As per the information furnished by the ADB during the latest ADB Business Opportunities Seminar held in New Delhi on 26.2.92, the cumulative amount of contracts awarded to Indian bidders under ADB funded projects

during the last 5 years amounts to US \$ 587 million.

Rates of Indian Goods in European Markets

6066. SHRI GANGADHARA SANIPALLI: Will the Minister of COMMERCE be pleased to state:

(a) whether the rates of Indian goods in UK and other European markets have increased; and

(b) if so, the steps proposed to be taken by the Government to increase further the rates of the goods proposed to be exported to these countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b). The unit value realisation on exports of Indian goods have varied in different sectors. Higher unit value realisation is possible through adoption by industry of new technology, designs and management inputs which Government policies aim to facilitate.

Effects of Black Money

6067. SHRI GANGADHARA SANIPALLI: Will the Minister of FINANCE be pleased to state:

(a) the overall impact of the black money on the fiscal structure of the country; and

(b) whether the currently policy of incentives of the Government is of effective to curb the black money circulation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Generation of black money distorts the fiscal

structure and production pattern of the economy. It makes it more difficult to plan resource allocations to various sectors. Further, it contributes significantly to consumption and inflationary pressures in the economy. To curb the generation of black money, Government are taking various measures including administrative, legal and fiscal etc. from time to time. In the Budgets for 1991-92 and 1992-93, a number of measures aiming at controlling its generation have been announced. These include: Reduction in personal tax rates, tax deduction at source in respect or payment of interest, winnings form horse races, lotteries, widening of the tax base by inclusion of persons engaged in retails trade, voluntary deposits scheme, etc. The overall impact of these measures will be felt over a period of time and Government will bring about modifications in the economic policies, wherever necessary, to meet the emerging situations.

[*Translation*]

Modernisation of TAFCO

6068. SHRI MRUTYUNJAYA NAYAK: Will the Minister of FINANCE be pleased to state:

(a) whether the Tannery and Footwear Corporation of India (TAFCO) has submitted to the Government a revised proposal for its modernisation and renovation duly approved by the Industrial Development Bank of India.

(b) if so, the details thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) No, Sir.

(b) and (c). Do not arise.