

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

(a) to (b) No specific Study has been conducted regarding implementation of all the Schemes for the upliftment of Handloom weavers and proper utilisation of funds provided thereo. However, a study on the implementation of the Scheme of Handloom Development Centres and Quality Dyeing Units has been conducted.

(c) The fund releases by the Governments are dependent on observance of various procedural formalities and the progress of the ongoing Schemes. Consequently, there may be a time lag between release of funds by the State Governments after receipt of funds from the Centre.

(d) The State Governments and UTs are advised from time to time to release Central grant to Implementing Agencies/beneficiaries in time.

(e) The Government is implementing a number of Schemes for the development of Handloom Sector and welfare of weavers. Requisite assistance are being provided through these Schemes for input support, marketing, skill upgradation and infrastructure development to check the plight of handloom weavers.

Report on Sick NTC Mills

*323. SHRI RAM NAIK : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government had asked for a report on the viability of each of the 120 National Textile Corporation sick mills in the country;

(b) if so, the details thereof of the reports received so far and the main features thereof; and

(c) the names of sick mills which are reported viable?

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

(a) to (c). The Textiles Research Associations had been commissioned in June, 1993 to study and recommend a modernisation package for the NTC mills. In the report of the Textile Research Associations they have recommended modernisation of 79 mills with an outlay of approximately Rs. 2005 crores which include restructuring of 36 mills into 18 viable units. On the basis of this report the Central Government has approved a rehabilitation package for NTC in May, 1995. Under the Sick Industrial Companies (Special Provisions) Act, 1985, it is the company as a whole and not individual mills that are referred to BIFR. On account of continuous losses and erosion in net worth, 8 out of 9 subsidiary corporations were referred to and declared sick by the BIFR. The rehabilitation package has, therefore, been placed before the BIFR for consideration.

Nidhi Companies

*324. SHRI N.S.V. CHITTHAN : Will the Minister of FINANCE be pleased to state :

(a) the number of proposals for setting up of Nidhi Companies (non-banking financial companies) have been approved by the Government so far;

(b) the number of such proposals which are still pending with the Government, State-wise;

(c) the time by which these proposals are likely to be approved.

(d) whether the Government have detected any case of frauds by these companies;

(e) if so, the details thereof, and the action taken in this regard; and

(f) steps being taken to modify the guidelines for approval of such companies?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Since 1963, 192 companies have so far been declared as Nidhi Companies under Section 620A of the Companies Act, 1956.

(b) As on 30.11.1996, ninety-one applications were pending. The State-wise position of these pending applications is as follows :

S.No.	Name of the State	Number of applications Pending
1.	Tamilnadu	72
2.	Uttar Pradesh	8
3.	Andhra Pradesh	2
4.	Kerala	2
5.	Karnataka	2
6.	West Bengal	1
7.	National Capital Territory of Delhi	2
8.	Pondicherry (Union Territory)	2
Total		91

(c) Pending review of the working of Nidhi Companies, a decision on the pending applications has been kept in abeyance.

(d) and (e). According to available information, the Chennai City Police have registered cases under provisions of the Indian Penal Code and Prize Chit and Money Circulation Scheme (Banning) Act, 1978 against a number of persons concerned with the management of a number of companies/firms, including GNS Nidhi Ltd. and three companies named as benefit fund companies (which are not declared as Nidhi u/s 620A of the Companies Act).

Recent inspection of eleven Nidhi companies under Section 209A of the Companies Act, 1956 has revealed certain contraventions of the provisions of the

Companies Act the directions issued under Sections 637A of the Companies Act, 1956 issued vide Department of Company Affairs Notification No. GSR 773(E) dated 4th December, 1995. Suitable action as warranted under law is being taken against these companies.

(f) A view in the matter will be taken after the review of the working of Nidhi companies has been completed.

Suggestion made by PHDCCI to Boost Exports

*325. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received any request from Punjab, Haryana and Delhi Chamber of Commerce and Industry for reviewing the loan facility provided by the Government to the exporter during the last three years to ensure the achievements of export targets;

(b) if so, the details thereof;

(c) whether the Government have formulated any scheme to achieve the targets fixed for exports during the above period;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. In a Note submitted recently to the Ministry of Commerce, the Punjab, Haryana and Delhi Chamber of Commerce and Industry (PHDCCI) has, inter alia, made certain suggestions regarding credit facilities to the exporters. These include revision of the target for export credit as a percentage of net bank credit, reduction of interest rates for export credit, further review of rate of interest beyond 90 days and upto 180 days, review of interest rates on overdue bills, review of methods of lending to export sector, and some procedural aspects relating to export credit.

(c) to (e). Export promotion is a continuous activity undertaken by the Ministry of Commerce and is based on interaction with industry, trade and other export promotion institutions. The measures to achieve targets fixed for exports are initiated through policy and promotional schemes which include simplification of export and import policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation and efforts to actively involve State Governments in export promotion.

In so far as export credit is concerned, banks have been advised from time to time by the Reserve Bank of India (RBI) to ensure that exporters' credit needs are met in full and promptly. Exporter can avail of rupee packing credit at 13 per cent upto 180 days and at 15 per cent for period beyond 180 days and upto 270 days. In the monetary policy for second half of 1996-97,

the interest rate on post-shipment rupee credit has been further rationalised. Rupee post-shipment credit is available at 13 per cent upto 90 days and at 15 per cent for period beyond 90 days and upto six months from the date of shipment. For ensuring smooth flow of credit to export sector, instructions have been issued by RBI to banks to ensure that :

(i) no worthwhile export order suffers for want of finance;

(ii) grievances of exporter-borrowers in the matter of timely and adequate sanction of credit limits are redressed promptly;

(iii) sanction of fresh/enhanced limits/renewal of limits is made within the period stipulated where application is received with complete details and cases of rejection of export credit proposals are brought to the notice of Chief Executives explaining reasons for rejection.

(iv) export credit target of 12.0 per cent (enhanced from 10.0 per cent under the monetary policy for second half of 1996-97) to net bank credit is achieved by 31st March, 1997.

[Translation]

Rebate on Khadi and Polyester

*326. SHRI NAND KUMAR SAI : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have withdrawn the system of rebate which was allowed on the selling prices of Khadi and Polyester;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Government propose to introduce a new system of market development assistance under which the benefit is likely to be available of Khadi manufacturers;

(d) if so, the details thereof and the time by which it is likely to be implemented; and

(e) its likely effect on the price and demand of Khadi?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

(b) Does not arise.

(c) to (e). The High Power Committee (HPC) in its report submitted in 1994 had made several recommendations including the replacement of rebate scheme for Khadi with the Market Development Assistance (MDA) scheme with an objective to improve marketing of Khadi products by allowing them the flexibility in utilisation of Government grant for purposes such as advertisement, consultancy services for new designs etc. in addition to allowing some rebate on sale of Khadi. However, Government have not yet taken any decision on this recommendation of the HPC.