

(ADB) till 18.12.1996 is US \$ 6,605.3 million for the energy, transport and Communication, finance, industry and non-fuel minerals, and social infrastructure sectors.

(c) No Sir.

(d) and (e). Do not arise.

#### Production of Coal

\*429. SHRI NITISH KUMAR :

PROF. PREM SINGH CHANDUMAJRA :

Will the Minister of COAL be pleased to state :

(a) whether there are possibilities to increase production and to reduce the production cost of coal in the country;

(b) if so, the details thereof;

(c) whether any study has been conducted in this regard;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether the coal produced in the country is costlier than the imported coal; and

(f) if so, the steps taken/proposed to be taken by the Government to reduce the production cost of coal?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b). There is considerable potential to increase production of coal in the country. The increase in production of coal so far in the current year is 8% greater than in the last year.

Steps being taken to augment indigenous production of coal include the following :

- (i) Opening up of new mines.
- (ii) Increasing efficiency and productivity in existing mines by modernisation and application of new technologies.
- (iii) Ensuring timely availability of inputs and infrastructural facilities.
- (iv) Partial de-regulation of coal prices. This 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 to be taken up. It will also improve the financial viability of new mining projects.
- (v) The capital base of Coal India Limited has been restructured. This will enable it to raise additional financial resources from the capital markets which are required to add new coal production capacity.
- (vi) Steps are being taken in coordination with the Railways to remove the transportation bottlenecks in such coalfield areas which have potential for enhanced production.

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

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

The coal companies continually make efforts to effect economies in the cost of production of coal. Such steps include :

- (i) Increasing opencast mining.
- (ii) Increasing the efficiency of coal production.
- (iii) Modernisation and mechanisation of existing coal mines.
- (iv) Reduction in surplus labour.
- (v) Ensuring better power supply by setting up captive power stations etc.
- (vi) Observing strict economies in operational expenditure.

(c) and (d). Efforts to increase production while reducing production costs proceed on a continuous basis after detailed study of the existing conditions and taking into account the available financial and technical resources. This is a continuous process.

(e) A study conducted indicates that imported non-coking coal is costlier than domestic coal on calorific value basis at all locations in the country. Imported coking coal, however, does not appear to be costlier than domestic coal.

(f) Does not arise in view of answer to part (e) of the question.

[English]

#### Revival Plan for Sick Companies

\*430. SHRI PRADIP BHATTACHARYA : Will the Minister of FINANCE be pleased to state :

(a) the details of the cases referred to Industrial Finance Corporation of India by the BIFR during the last five years for the preparation of revival plan of sick companies both in private and public sector;

(b) whether the revival scheme could not be prepared by the Industrial Finance Corporation of India so far; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Board for Industrial and financial Reconstruction (BIFR) had appointed Industrial Finance Corporation of India Ltd., (IFCI) as Operating Agency in respect of 111 sick industrial companies (83 private sector, 6 central sector and 12

state sector companies) during the period from 1.4.1991 to 31.3.1996.

(b) and (c). IFCI has reported that it has carried out viability study in respect of 104 cases. As regards the remaining seven cases, in six cases the respective promoters have not submitted any comprehensive rehabilitation proposal for consideration of the Operating Agency and in one case the proposal has been received by IFCI recently and the same is under scrutiny of the Operating Agency.

#### Investment on Coastal Areas Development

\*431. SHRI R. SAMBASIVA RAO : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have put forth a proposal to Singapore Government for investment on eastern port of the country viz. Andhra Pradesh, West Bengal, Orissa and Tamil Nadu;

(b) if so, the details thereof, State-wise; and

(c) the details of the fields of industries in which the investment is likely to be made by Singapore Government?

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

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

#### World Bank Aided Projects

\*432. SHRI RAJKESHAR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether as per the assessment of the World Bank the amount spent on most of the World Bank aided projects in the country has not resulted in full or commensurate benefits to intended areas/people;

(b) if so, the reaction of the Union government in this regard; and

(c) the steps proposed to be taken by the Union Government for effective monitoring of World Bank aided projects in the country?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. World Bank, in March, 1996 has evaluated 104 projects approved between 1 July, 1978 and 30 June, 1993. Of these 77% were evaluated to have achieved satisfactory outcome.

(b) and (c). The Government has already taken a number of steps to further improve project implementation. These include ensuring adequate provisioning for externally aided projects, release of Additional Central Assistance as 100% additionality, advance release of ACA to the States, standardisation of bidding documents and streamlining and procurement procedures, disintermediation on flow of external aid to

Central PSUs, portfolio rationalisation and setting up of Project Management Unit in Department of Economic Affairs. In addition, Central Ministries and State Governments, with a large number of World Bank aided projects, have recently been asked to set up a single point Project Monitoring Authority for intensive supervision of these projects. This will be combined with joint semi-annual reviews by Ministry of Finance and World Bank. In order to ensure that the projects achieve their development objectives in full, their quality at entry and also during implementation is being reviewed regularly.

[Translation]

#### Sundaram Committee

\*433. SHRI RAVINDRA KUMAR PANDEY :  
SHRIMATI SHEELA GAUTAM :

Will the Minister of COMMERCE be pleased to state:

(a) whether the Sundaram Committee has recommended that loans should be made available at low interest rate so that Indian goods could stand in competition in the international market; and

(b) if so, the reaction of the Union Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH) : (a) and (b). The Reserve Bank of India at the request of the Federation of Indian Export Organisations appointed a Committee in September, 1992 under the Chairmanship of Dr. G. Sundaram, the then Additional Secretary in the Ministry of Commerce to examine the complaints regarding the interest rate structure of export finance, the period of credit and allied questions including important individual complaints. Accordingly, the Committee studied the various aspects of these issues and suggested that the Reserve Bank might consider reviewing the interest rates for export credit within their overall monetary and credit policy. It also recommended that if there was going to be a policy decision to lower the minimum lending rate for commercial loan, it should be ensured that there was more than a corresponding reduction of export credit interest rate keeping the yield to the banks at the existing level.

The Committee submitted an Interim Report followed by a final Report. Based on the recommendations of these Reports, the Reserve Bank of India made appropriate revisions in October, 1992 in the interest rates of Pre-Shipment as well as Post-Shipment Credits. These rates have been kept under review by the Reserve Bank of India so that adequate credit is available to the exporters at internationally competitive rates. The Government also interacts appropriately from time to time with the Reserve Bank of India on this matter.