

# **LOK SABHA DEBATES**

## **(English Version)**

**Fourteenth Session**  
**(Thirteenth Lok Sabha)**



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# LOK SABHA DEBATES

## LOK SABHA

Friday, December 19, 2003/Agrahayana 28, 1925 (Saka)

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER in the Chair]

[Translation]

...(Interruptions)

MR. SPEAKER: Please resume your seats. First there is an obituary reference.

...(Interruptions)

[English]

11.01 hrs.

### OBITUARY REFERENCES

MR. SPEAKER: Hon. Members, I have to inform the House of the said demise of two of our former colleagues, namely, Rani Lalita Rajya Laxmi and Shri Mahendra Singh Bhati.

Rani Lalita Rajya Laxmi was a Member of the Second, Third and Fourth Lok Sabhas from 1957 to 1970, representing Hazaribagh, Aurangabad and Dhanbad Parliamentary Constituencies of Bihar respectively.

Rani Lalita Rajya Laxmi was an able Parliamentarian. She was a Member of the Committee on Petitions from 1966 to 1967.

Rani Lalita Rajya Laxmi's royal lineage did not deter her from serving the public.

She constantly worked to improve the status of women in society and was actively involved in abolition of social evils like purdah and the dowry system.

Rani Lalita Rajya Laxmi was widely travelled person and visited many countries.

Rani Lalita Rajya Laxmi passed away on 7 December, 2003 at Patna, Bihar, at the age of 86.

Shri Mahendra Singh Bhati was a Member of the Eleventh Lok Sabha from 1996 to 1997, representing the Bikaner Parliamentary Constituency of Rajasthan.

A devoted Parliamentarian, Shri Bhati was a Member of the Committee on Finance during 1996 and 1997.

Shri Bhati was an agriculturist by profession. He strove hard for the uplift of the weaker sections of the society and resolving the problems of the farmers.

Shri Bhati was an active social worker and was associated with the co-operative movement. He served as President, Baiju Kiraya Vikaray Co-operative Committee Limited, Baiju, District Bikaner; and as Chairman, Central Co-operative Bank Limited, Bikaner; and Rajasthan State Co-operative Bank.

Shri Bhati, who was a sports enthusiast, was a member of Sadul Club, Bikaner.

Shri Bhati was a widely travelled person. He visited China, Hong Kong, Singapore and Thailand as a member of a delegation under the auspices of Indo-Gwonjau (China) Friendship Society.

With the untimely demise of Shri Bhati, we have lost a young and dynamic political activist.

Shri Mahendra Singh Bhati died in a road accident on 12 December, 2003 at Bikaner, Rajasthan, at the age of 35.

We deeply mourn the loss of these friends and I am sure the House would join me in conveying our condolences to the bereaved families.

The House may now stand in silence for a short while as a mark of respect to the memory of the departed souls.

11.06 hrs.

*(The Members then stood in silence for a short while.)*

[Translation]

DR. RAGHUVANSH PRASAD SINGH (Vaishali): Mr. Speaker, Sir, the Condition of National Highways in Bihar is pretty bad. ...(Interruptions)

[English]

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Mr. Speaker, Sir, I gave a notice for Adjournment Motion on a very serious matter. ...(Interruptions)

MR. SPEAKER: I will permit you to raise that issue on Monday or Tuesday, and the Minister will also be requested to come and reply.

[Translation]

SHRI RAM VILAS PASWAN (Hajipur): Mr. Speaker Sir, Please include this in Calling Attention ...*(Interruptions)* we Support. ...*(Interruptions)*

MR. SPEAKER: We don't have much time for this.

...*(Interruptions)*

MR. SPEAKER: I can understand this.

...*(Interruptions)*

[English]

11.07 hrs.

**RE: Action against Indian insurgent groups operating from Bhutan and its subsequent effects in Assam and West Bengal**

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Mr. Speaker, Sir, the entire nation and the Parliament will welcome and congratulate the Government of Bhutan for flushing out the terrorists. ...*(Interruptions)* Mr. Speaker, Sir, I gave the notice. At the same time, I am particularly perturbed and we are all worried. The flushed out terrorists for the last two nights have started spreading in the entire region of North Bengal where harvesting is on. They are going to terrorise them for shelter. I strongly feel that on the critical borders of Bhutan and Nepal, the people in the entire region of North Bengal at the foothills of Himalayas, are in panic. Assam is bordered with a West Bengal district called Coochbehar. They are also sheltering there. So, I will only appeal to you that the Government of India must make a statement, especially, the Deputy Prime Minister as to what additional paramilitary support he has extended to the Governments of Assam and West Bengal.

Otherwise, yesterday night I got the information from my own constituency that they are not only spreading but also, they have started counter-terrorising all the people of the peaceful area. We are feeling disturbed. It is a very serious matter. ...*(Interruptions)* We appreciate the Bhutan Government.

MR. SPEAKER: Let me see what the Government has to say on this matter. Please sit down.

...*(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI: I feel that the Deputy Prime Minister should also adopt the same method of the Bhutan Government to flush out the terrorists in India. ...*(Interruptions)*

MR. SPEAKER: Please sit down. Let me see whether the Government is making a statement in Parliament or not. I am asking the Government.

[Translation]

DR. VIJAY KUMAR MALHOTRA (South Delhi) Mr. Speaker, Sir, this is really a very important issue. ...*(Interruptions)*

[English]

SHRI PRIYA RANJAN DASMUNSI: Please give me one minute and I will tell you.

MR. SPEAKER: You may get an opportunity to speak at the right time.

SHRI PRIYA RANJAN DASMUNSI: The KLO and the ULFA people are now sheltering in Siliguri, Coochbehar and Raiganj. Even my colleague, Shri Shahnawaz also comes from Kishanganj. It has spread over. ...*(Interruptions)*

[Translation]

DR. VIJAY KUMAR MALHOTRA: Mr. Speaker, Sir, this is an important issue. Now they are setting up their camps in some areas of Assam, West Bengal and Bihar particularly in Bangladesh. From there, the ULFA terrorists and other people are operating in entire area. The Government should make statement in the House in this regard. ...*(Interruptions)*

MR. SPEAKER: Let me see what is the view of the Government in this regard.

...*(Interruptions)*

DR. VIJAY KUMAR MALHOTRA: The Government of Bhutan has done a very good job. ...*(Interruptions)*

[English]

SHRI ADHIR CHOWDHARY (Berhampore, West Bengal): Sir, I have also given a notice on this issue. ...*(Interruptions)*

MR. SPEAKER: There is no debate on the issue.

...(Interruptions)

MR. SPEAKER: After the Question Hour, I may take this subject, but not now.

SHRI ADHIR CHOWDHARY: My contention is that the West Bengal Government must be provided with adequate additional security forces to combat the adverse situation.

MR. SPEAKER: The issue is very clear.

[Translation]

THE MINISTER OF HEALTH AND FAMILY WELFARE AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRIMATI SUSHMA SWARAJ): Mr. Speaker, Sir, the Members have drawn attention towards a very serious and important issue. I will talk to the Deputy Prime Minister, who is also Minister of Home Affairs and ask him to give statement in the House. When will he give statement depends upon his convenience and that I will let you know through the House. ...(Interruptions)

[English]

MR. SPEAKER: The other notices for suspension of Question Hour and Adjournment Motion have been rejected by me.

...(Interruptions)

MR. SPEAKER: Now, the House will take up Question Hour. Question No. 261—Shri Rattan Lal Kataria.

Shri Rattan Lal Kataria, your Question is the first Question today and today is your birthday. I wish you all the best.

[Translation]

SHRI RAM VILAS PASWAN: Sir, I have also given a notice.

MR. SPEAKER: I have rejected all the Notices.

...(Interruptions)

SHRI RAM VILAS PASWAN: O.K. we can raise our issue in the Zero Hour. ...(Interruptions)

11.11 hrs.

## ORAL ANSWERS TO QUESTIONS

[English]

### Economic Reforms

\*261. SHRI RATTAN LAL KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether the economic reforms have been able to achieve speedy eradication of poverty, creation of large scale opportunities for productive employment and self-employment and removal of imbalances in development, both social and regional, for the last three years;

(b) if so, the details thereof;

(c) the impact of reforms on our agriculture economy; and

(d) the agenda for reforms in the country in coming years?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) to (d) A Statement is placed on the Table of the House.

### Statement

(a) to (d) Various economic reforms measures have been taken by the Government since 1991 aimed at accelerating economic growth, facilitating greater investment, enhancing the competitive spirit, reducing the level of poverty, allowing higher private initiative and achieving greater integration with the world economy. Economic reforms are a continuous process and the policy instruments to implement them are reviewed from time to time in the light of the prevailing situation.

The poverty ratio in the country has declined by nearly 10 percentage points during the five year period following 1993-94 to reach 26.1% in 1999-2000. The estimated work force (usual status) in the country has gone up from 374 million in 1993-94 to 397 million in 1999-2000. Regarding imbalances in the development process, data reveals divergences in the growth rate of state domestic products and disparities in social attainments in the various States of the Union during the last decade, as reflected in the National Human Development Report, 2001.

The initial reforms package of 1991 focused mainly on industry employing policy measures which, *interalia*,

included delicensing, deregulation, trade liberalization and financial sector reforms. The agricultural sector benefited indirectly from these reforms. The second generation reforms have singled out agriculture for special emphasis. Some of the important steps already taken include removal of restriction on movement and stocking of major products, removal of restrictions on export of farm products, removal of prohibition on futures trading in agri-commodities and dereservation of a large number of agricultural implements from manufacture in the small scale sector. The future agenda for reforms broadly aims at widening and deepening the reform process and includes, *inter alia*, a special focus on the agricultural sector, promoting flexibility in factor markets, accelerating investment in physical and social infrastructure sectors and strengthening fiscal consolidation.

[Translation]

SHRI RATTAN LAL KATARIA: Mr. Speaker, Sir, you have congratulated me on my Birthday, therefore, I would also like to express my sentiments. After assuming the charge of Speaker, you have conducted this House so orderly. ...*(Interruptions)*

MR. SPEAKER: It is not my Birthday today.

...*(Interruptions)*

MR. SPEAKER: Is it a supplementary or complimentary?

SHRI RATTAN LAL KATARIA: Sir, I am coming to the supplementary only. ...*(Interruptions)*

MR. SPEAKER: This is a complimentary, not supplementary.

...*(Interruptions)*

SHRI RATTAN LAL KATARIA: Sir, I am coming to the supplementary only. Since the hon'ble Minister has assumed the charge, we have passed, as a part of reform process, atleast more than 50 economic reform bills be it a Competition Bill, Stock Realization and Reconstruction Bill, Consumer Protection Bill or Power Amendment Bill. Though India has achieved 7% growth rate of GDP, in Agriculture it has achieved 8% growth rate, even in Industry and service sector it has achieved the growth rate of 6% and 7% but despite all these, in many parts of our country even today more than 22 crore people are such who are getting one time bread and the rate of illiteracy prevailing among women particularly Scheduled Castes and Scheduled Tribes, is between 10% and 20%.

Hence, I would like to know as to what is the impact of reforms made in Health Care System, Housing and Nutrition Sector and what action the Government propose to take to implement these reforms?

SHRI JASWANT SINGH: Mr. Speaker, Sir, the hon'ble Member has asked a very good question. He has said that reform has not resulted in balanced progress, there is disparity and a mention has been made that in our country around 22 crore people are such, particularly scheduled caste and scheduled tribe women, who are not getting even two square meals and asked a question as to what the Government are doing for their Housing problem. As the hon'ble Member know that last year a special programme which includes employment and food had been announced by the Prime Minister. That programme was announced last year and considering its result I feel that there is a need to improve this programme. As far as the question of Housing is concerned, many facilities have been increased. Many programmes are associated with Housing. A programme, related to education, called Sarva Shiksha Abhiyan is going on and Antyodaya Anna Yojana was implemented last year with the objective that under this scheme food could be provided to the poorest people of village.

SHRI RATTAN LAL KATARIA: Mr. Speaker, Sir, I would like to know from the hon'ble Finance Minister about total investment made in investment sector during the last five years? Like there was total investment of 15,21,309 crore rupees upto October 2002, similarly I would like to know as to how much amount has been invested last year? The hon'ble Minister is also requested to tell about the share of public sector and private sector in this. Japan, China and India got independence at almost same period but today these two countries are much more developed than us. What is the reason that country like South Korea, whose per capita income was 50 times less than us in 1950, has the per capita income of 18,000 US \$ every year, whereas per capita income of India today is only 400 US\$ every year. By 2020, India is going to become a developed nation i.e. world power, hence I would like to know as to what step the Government propose to take in reform sector? The dream, which the hon'ble President Shri Kalam Saheb has envisaged and aspiration of Vision-2020 which hon'ble Prime Minister Shri Atal Bihar Vajpayee and the NDA Government have promised, I would like to know as to what step the Government propose to take in this direction so as to fulfil those aspirations?

SHRI JASWANT SINGH: Mr. Speaker, Sir, once again a detailed question has been asked.

MR. SPEAKER: Even reply can also be a lengthy one.

SHRI JASWANT SINGH: There is a need to analyse entire economic policy.

SHRI MANI SHANKAR AIYAR: It seems that Government is wooing the people.

SHRI JASWANT SINGH: Hon. Member has asked roughly about the extent of investment made in the Public Sector as also in the Private Sector during the last five years and has also raised a question that why some countries have developed more than us and we have lagged behind? All these are matters of debate. Extensive discussion would be held on these issues in the coming session. Different types of analysis are made and it is very difficult to give reply to such questions in the House on the basis of these analysis. We would provide if the hon. Member is willing to have any specific statistic.

*[English]*

SHRI MANI SHANKAR AIYAR: Mr. Speaker, Sir, there are two related claims made by the hon. Minister in his reply. One, that the size of our workforce has grown from 374 million to 397 million between 193 and 2000, and secondly, in the same period there has been a drop in the poverty ratio of ten per cent. My Supplementary is with regard to both. If the figure given by the hon. Minister is correct for the workforce, that amounts to an average of approximately 30 lakh new people being added to the workforce every year up to 2,000. The hon. Prime Minister has claimed in this House that the addition to the net employment is not of the order of 30 lakh but of the order of 84 lakh. Now, the figures given here are up to 2000, but in 2000-01, the GDP growth rate was only 4.4 per cent and in the year 2002-03, it fell to a further 4.3 per cent. Therefore, with the growth rate being lower after 2000 than before 2000, obviously the net addition to the workforce would be lower than that average, which means lower than 30 lakh.

In the light of this how can the hon. Minister of Finance justify the hon. Prime Minister's claim that the net addition to employment in 84 lakh when even in a better period it was only 30 lakh?

Secondly, with regard to the poverty ratio, the Economic Survey presented by this Government at the time when this figure came out, clearly said and I quote from paragraph 10.15 of the Survey for the Year 2000-01:

"In this Round, that is, the 55th Round, on the basis of which this figure has been given."

"The NSSO introduced certain innovations in the manner and method of data collection which have a bearing on the comparability of the poverty estimates made from this Round relative to the earlier Round."

Then it says:

"Because of these changes in methodology of data collection, these two sets of estimates may not be strictly comparable to the earlier estimates of poverty."

When I asked the hon. Minister of Statistics and Programme Implementation at that time whether they had attempted to put it on a comparable basis, he said that they have not, and when I asked him also whether they would intend to do so, he said, they would not intend to do so. So, we have two non-comparable figures. You have apples for the year 1993-94 and oranges for the year 1999-2000. You cannot compare the two. Unless you compare the two, you cannot say that Shri Kataria is one year older today than he was yesterday unless the birthday is the same last year and this year.

In this case, what has happened is they had changed the basis because whereas until 1993-94 the poor used to be asked to recall what they consumed one week earlier—it is called a seven-day recall period—in the 55th Round they used a 30 day recall period. They are asking a poor man—'what did you consume 30 days ago?' On this basis you cannot compare the two. The hon. Minister is welcome to claim that according to the methodology of the 55th Round, the poverty ratio is 26 per cent now. But he cannot compare it to the previous Round for the simple reason that was done on a seven-day recall basis and this is done on a 30-day recall basis.

So, I want to know from the hon. Minister why in presenting this data before us in answer to Shri Kataria's question, he has not introduced the conditionalities that were present both in the reply of the Minister of Statistics to me to an Unstarred Question some years ago as well as what is stated inside this Economic Survey. Does it not amount to misleading the House and misleading the country? For both the questions I want an answer.

SHRI JASWANT SINGH: Certainly. Sir, normally, only one supplementary is asked.

MR. SPEAKER: They are part-A and part-B.



SHRI JASWANT SINGH: That is what I thought. Even if it is parts, even then a long peroration has preceded the parts.

There are really only two queries. One is that the hon. Prime Minister had asserted for 84 lakh and how is that assertion to be sustained when there is a different figure. The hon. Prime Minister's figure is entirely correct. This has been justified on a number of occasions. There is absolutely no mismatch in the assertions in that regard. ...*(Interruptions)*

SHRI MANI SHANKAR AIYAR: Sir, how can there not be a mismatch between 30 lakh and 84 lakh? ...*(Interruptions)* How can he claim this? When I raised it during the discussion on the Supplementary Demands, there was no answer.

MR. SPEAKER: Shri Mani Shankar Aiyar, you have to listen to the hon. Minister.

SHRI MANI SHANKAR AIYAR: Sir, I demand an answer. I want him to reconcile these two. He cannot say that there is no difference between the two. There is a huge difference of 54 lakh. ...*(Interruptions)*

MR. SPEAKER: Shri Mani Shankar Aiyar, let him complete; you will understand it.

SHRI MANI SHANKAR AIYAR: Sir, please; I seek your protection to get the hon. Minister to reply. He does not reply in the debate and now he is not replying in the Question Hour.

SHRI JASWANT SINGH: The question is that because the two years had a differentiated growth of GDP, therefore, when there was a certain growth of GDP certain figure is asserted and when there is a different figure, how is that different figure asserted. The figure asserted is correct. What the hon. Prime Minister said is entirely correct and that is the workforce that was added.

The second question that has been raised here is in regard to poverty estimates. The poverty estimates are the functions that are conducted by the National Statistics Survey Organisation. They have themselves now made the assertion for an altered criteria. The Economic Survey quite clearly points out what the altered criteria are and, therefore, for the hon. Member to say that I have misled the House in not saying that there is any altered criteria,

I have not misled the House in not saying that there is any altered criteria, I have not misled the House at all. What I have presented here is on the basis of the facts of NSSO. ...*(Interruptions)*

SHRI MANI SHANKAR AIYAR: I did not say altered criteria. What I said was non-comparability. There are two different things here. They are non-comparable because they are different. ...*(Interruptions)*

MR. SPEAKER: The hon. Minister has already said it, P.H. Pandian to ask the question now.

SHRI MANI SHANKAR AIYAR: He is comparing them. How can he do it? ...*(Interruptions)*

SHRI P.H. PANDIAN: Sir, from the answer stated here, the poverty ratio in the country is declining by nearly 10 per cent in 1993-94 and in the Five-Year Plans. I want to know from the hon. Minister whether there was any decline of poverty ratio right from Independence because after 40 years, after the new globalisation and liberalisation it has been stated that poverty ratio has come down to 26 per cent.

Was there any economic reform at all by the Government, prior to 1991? If that is the case, the poor would not have become poorer and the rich would not have become richer. When did the richer become poorer or the poorer continue to be poorer, till date. It is because the economic reforms have been introduced only in 1991, as per the answer laid on the Table of the House. Was there any economic policy in place to make the poorer richer and to make the richer to be conservative to the poor? I am asking this because there was no progress at all from 1947 up to 1991, by this answer sheet.

SHRI JASWANT SINGH: Sir, it is not the conclusion that I shared. It would be incorrect to assert that from 1947 to 1991 the nation stood still. It is not correct. There was a very different paradigm of development. Indeed, from the very first plan itself—it was the first Prime Minister—the policies that were adopted were directed at elimination of poverty. It was a planned economy, it was a centralised economy, and it utilised the national resources for development of certain essential areas. That had its period. Legitimately, that idea ran out of its time, and thereafter, an alteration was made in the policy.

In fact, it really did not start from 1991, but even earlier than that. The very first beginnings of economic reforms were really initiated by late Shrimati Gandhi, but in a very experimental fashion. Then subsequently—by late Shri Rajiv Gandhi—some initial steps for the economic reforms were taken. In 1991, the country faced a serious payment difficulty and because of the serious payment difficulty, the economic reforms received a much greater thrust in that decade and it was followed up subsequently.

So, what we are witnessing today in the country is definitely a reduction of the total poverty levels and scale, for which really it is not just any one decade or period that can be attributed or given credit to. It is the last so many decades of efforts that have resulted in this. These efforts are continuous efforts and they must continue. It is not as if any one Government will make an effort and the other Government will not or any one Finance Minister will make an effort, and the other Finance Minister will not, etc. This is a continuous process and that it now it will be.

There is also the aspect of the States. The Central Government or the Union Government can—after all in a broad policy manner—approach the issues or direct the issues or even influence the issues up to a certain extent. The States and the Union have to play a very important role in it. It is because of this reason that we see a kind of patchwork of development, inequalities, and the development status of States within the country. So, it is a complex of many factors.

#### Package for Jute Industry

\*262. SHRI P.S. GADHAVI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have announced a package for the jute industry with higher subsidy on capital investment of 20 per cent;

(b) if so, the details of the proposal announced by the Government;

(c) whether the Government is encouraging the production of Geo Textile with wider marketing network in the country and overseas market; and

(d) if so, the details thereof?

[Translation]

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN): (a) to (d) A statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) The Jute Manufactures Development Council (JMDC), a statutory body under the aegis of Ministry of Textiles, Government of India, has launched the "JMDC Incentive Scheme for Modernization of Jute Industry" w.e.f. July 2002. The subsidy under the scheme was universally restricted to 15% of the cost of machinery/equipment procured by the jute mills till September, 2003. However, subsidy has been enhanced to 20% w.e.f. 19th September 2003 for establishment of new modern jute mills in new locations pertaining to jute growing areas having inadequate jute processing facilities after payment of cess for at least 3 month. However, the capital subsidy @ 15% of the cost of machinery and equipment is still admissible for modernization of existing units in areas having adequate jute processing facilities.

(c) Yes, Sir.

(d) Government is encouraging the production of Geo Textiles in the domestic as well as international markets through:

(i) Organising events such as the International Jute Symposium (February, 2003 at Kolkata), the National Seminar on Geo-textiles and Innovative Jute Products (August, 2003 at New Delhi);

(ii) Sponsoring research activities for development of geo-textiles in research Institutes like the Indian Jute Industries Research Association, (IJIRA) Kolkata and the Institute of Jute Technology (IJT) Kolkata;

(iii) Encouraging and subsidising participation of manufacturers of geo-textiles in national and international fairs;

(iv) Sponsoring Pilot Rural Roads Project for standardising the specifications for the use of jute geo-textiles in construction of rural roads under the Prime Minister's Gramin Sadak Yojana jointly with the National Rural Roads Development Agency, Ministry of Rural Development and the Central Road Research Institute, New Delhi;

(v) Making technical presentations on Jute Geo Textiles to the concerned construction agencies and Departments of different State Governments and various organisations under the Central Government;

- (vi) Exhibiting Jute Geo Textiles products in important congregations and seminars organised by the Indian Geo-technical Society, the Indian Roads Congress, the Central Board of Irrigation and Power etc.

[English]

SHRI P.S. GADHAVI: Sir, in his reply the hon. Minister has stated that: "However, subsidy has been enhanced to 20 per cent with effect from 19 September 2003 for establishment of new modern jute mills in new location pertaining to jute growing areas...." Sir, for that I would like to congratulate the NDA Government and our young and dynamic Textiles Minister for taking steps to bail-out the Jute Industry from hardship, and to enhance the subsidy for this industry.

Sir, in this respect I would like to know from the hon. Minister whether this subsidy would be made available to running units of jute manufacturers or not. If yes, would it be at the same rate as given to new industries or not? If not, what are the reasons thereof?

Sir, the second part of my question is this. The Government is aware that Geo Textiles are in great demand overseas. What steps do the Government propose to take to include Jute Textile in the Export Marketing Assistance List on *ad valorem* basis, so that manufacturers could get more foreign exchange.

[Translation]

SHRI SYED SHAHNAWAZ HUSSAN: Mr. Speaker, Sir, keeping in mind the development of jute Industry, the Government have increased subsidy on establishment of jute industry. The Government were already giving subsidy of 15 percent on jute, but few months back, the Government decided to enhance the subsidy to 20 percent for establishment of new jute mills in locations pertaining to jute growing areas having no jute mills. So far as the question of hon. member with regard to export is concerned—let me inform that exports have increased much more as compared to the previous times. Earlier jute was being used for making sacks only but in the present times, jute is being used for multiple purposes. Many other things are being manufactured from jute and this has resulted in the increase in exports.

SHRI P.S. GADHAVI: Mr. Speaker, Sir, I had asked a question with regard to giving enhanced subsidy to the existing units.

[English]

The Minister should answer as to whether the existing units will be given the same rate.

My second supplementary is that the jute industry is facing a lot of hardship due to several constraints. The Government is also not encouraging the setting up of new jute mills in the country. I would, therefore, like to know from the hon. Minister as to what steps the Government proposes to take so that more jute mills with modern infrastructure are installed in the country, especially outside West Bengal.

[Translation]

SHRI SYED SHAHNAWAZ HUSSAIN: Mr. Speaker, Sir, I have replied that the Government are already giving 15 percent subsidy to the existing mills. And we have increased subsidy from 15 percent to 20 per cent in districts where jute is cultivated but mills have not been established. In those locations where there are no jute mills subsidy has been enhanced from 15 percent to 20 percent, although 15 percent subsidy is already being given to the existing jute mills, but if somebody establishes a new jute mill or expands its existing mills they can take advantage of 20 percent subsidy on that.

[English]

SHRI ADHIR CHOWDHARY: Sir, you must appreciate that West Bengal is the largest jute producing State in India. Jute is one of the major industries in the Eastern region also. It support 40-lakh families of farmers. It is a naturally renewable fibre; it is biodegradable and eco-friendly. How many jute industries have, so far, been declared sick in West Bengal especially and in India in general?

Hon. Minister, you also appreciate the jute industry has become a field day for fly-by-night operators and, on the other hand, jute farmers are being fleeced by the middlemen. How many bails have been procured this year, what procurement price has been given and whether that price is in proportion to the cost of production of jute?

[Translation]

SHRI SYED SHAHNAWAZ HUSSAIN: Mr. Speaker, Sir, I also belong to the area falling under the jute belt. The areas of Chowdhary ji, Dasmunsi ji and myself are associated with jute cultivation. So far as jute mills are

concerned, there are total 78 jute mills in the country out of which 61 are in West Bengal, 3 each in Bihar and Uttar Pradesh and 7 in Andhra Pradesh. So far as the minimum support price of jute is concerned.  
 ...(*Interruptions*)

SHRI ADHIR CHOWDHARY: I have asked whether the industries declared sick-

[*English*]

I would like to know whether any revival package has been proposed by the State Government of West Bengal to the Government or not.

[*Translation*]

SHRI SYED SHAHNAWAZ HUSSAIN: Hon. Member has asked a question with regard to sick mills, it is regarding NGMC and BIC mills. Hon. Member can ask a separate question in this regard. This question does not bear any relation with the original question. His second question is that what assistance do the Government provide to the farmers in fixing the price of jute. The Jute Corporation of India has made record purchase this year as compared to the last year. The Government in order to extend benefit to the farmers, has also increased the minimum support price this year as compared to previous year.

SHRI HANNAN MOLLAH: Mr. Speaker, Sir, last year the owners of jute mills had made some agreement with the Jute Labour Unions which, besides the demand for increase in D.A., also included many other demands but the mill owners have not fulfilled their demands since the last one year. People of 15 unions of the jute mills are against this and are going on strike from 29th next, with regard to their eight point demands. Whether the Government have any plans for safeguarding the jute industries from this peril? Secondly, today the jute industry is facing a big danger from plastic synthetic despite the fact that jute is an eco-friendly product. What scheme do the Government propose to properly implement the jute packaging Act, bringing jute in competition with plastic and to safeguard jute the interests of jute growers so that more and more jute bags could be used and it could be promoted not only in the country but abroad too.

SHRI SYED SHAHNAWAZ HUSSAIN: Mr. Speaker, Sir, hon. Member's question is not related to the original question as to what help are the government extending

for promotion of jute. So far as the labourers are concerned, hon. Member can ask a separate question regarding the agreement between mill owners and labourers.

Mr. Speaker, Sir, second question of the hon. Member is that what steps the Government have taken to develop the jute industry which has not developed since long. 2 lakh 61 thousand workers and around 40 lakhs farmers are associated in the jute industry. Jute products worth rupees one thousand crore are being exported with providing employment to these people. I feel delighted to say that our exporters have substantially increased this year as compared to the previous times.

Hon. Member asked what are the steps being taken by the Government, as I had already told that the Government used to give 15 percent subsidy.  
 ...(*Interruptions*)

[*English*]

MR. SPEAKER: Mr. Minister, can you tell him the amount now? What is the amount spent so far by the Government? If you do not have the figure with you right now, you can send it to him later.

[*Translation*]

SHRI HANNAN MOLLAH: My question was—how much amount has been spent by the Government and how much is left over?

SHRI SAYED SHAHNAWAZ HUSSAIN: Technology Upgradation Fund has been created to assist textiles industry. As he is aware, last time hon. Finance Minister had presented textile based budget. That contained a tough scheme wherein 5 percent interest subsidy was granted for modernisation of mills. They charge 14 percent interest but if they upgrade the technology then there is a 5 percent subsidy. JMDC provides 5 to 10 percent subsidy for this purpose. They are also provided 5-10 percent tax rebate under Fee Entitlement Passbook Scheme of Commerce Ministry.

Mr. Speaker, Sir, it was a common conception earlier that jute can be used only for making bags which were used by FCI. But these days carpets, brief cases and even beautiful ladies purses are also made out of it. Jute articles exported from Kolkatta can be seen in big shops in London. The Government have taken great interest in it. Other than Jute Service Scheme, many other schemes are also being implemented. I am very

glad to say that our jute export has increased more than 400 time during last three years. The Government are contemplating to make other articles from jute other than bags for wheat and sugar only. Since jute is highly eco-friendly, it is being preferred to be used in Europe especially. It is also being used for making news-print. We want that more and more jute is used so that the farmers are benefited of it.

[English]

MR. SPEAKER: The Minister will send you the figure.

[Translation]

SHRI SAYED SHAHNAWAZ HUSSAIN: Mr. Speaker, Sir, I would give written reply to hon. Member containing the details of funds released so far to the jute industry.

[English]

SHRI PRIYA RANJAN DASMUNSI: Sir, to start with, former Prime Minister, the late Indira Gandhi nationalised the largest jute mill of India, the National Jute Mill. Secondly, she had set up the Jute Corporation of India to support the jute farmers. Thirdly, former Prime Minister, the late Rajiv Gandhi announced two packages.

Sir, I would like to know from the hon. Minister: is it not a fact that the JCI operation to take jute from the farmers at remunerative price is further reduced to expand their network, and still today the jute farmers and especially the jute growers are in crisis. Would he inform us the number of units the JCI used to operate earlier and the number of units which it is operating now?

Here, I would appeal to the hon. Minister to take the House into confidence whether it is not a fact that the synthetic lobby, going against the WHO directions and environment directions, is creating a situation by which jute bags are not being used completely by the FCI, by sugar mills, by cement factories and others. Is it not a fact that the jute bags and BT-12 bags are being used in a reduced way causing thereby the sickness of the jute mills? If so, what steps is he going to take?

[Translation]

SHRI SAYED SHAHNAWAZ HUSSAIN: Mr. Speaker, Sir, it is not correct to say that the Government have reduced the procurement of jute. I have already admitted in my reply that though some units have been closed yet procurement made by jute Corporation of India has

increased and not decreased. We procure on the basis of demand.

SHRI PRIYA RANJAN DASMUNSI: I have asked about the units especially those based in the villages. I want to know why their number has been reduced?

SHRI SAYED SHAHNAWAZ HUSSAIN: Jute is produced in Bihar, Bengal, Orissa and Assam, rather particularly in north Bihar and that part of Bengal, Dasmunsi ji hails from. I can claim that our government have made efforts to revive the units which had been closed earlier. Our Government have not closed down even a single unit and we have increased the procurement. I am very glad to tell Dasmunsi ji that we have asked Jute Corporation of India to visit Jute Haats in Bihar and Bengal and procure jute from there where farmers came to sell their produce. And this we are doing well in this direction.

[English]

MR. SPEAKER: Q. No. 263—Shri A. Brahmanaiiah—  
Not present.

#### Consumption and Export of Sugar

\*264. SHRI PRABODH PANDA:  
SHRI MANIKRAO HODLYA GAVIT:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of production, consumption and export of sugar during each of the last three years and as on date;

(b) the facilities being provided by the Government to boost the production and export of sugar;

(c) whether any financial assistance is also being given to State Governments for this purpose; and

(d) if so, the details of assistance so far provided to each State during the above period?

[Translation]

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV):  
(a) to (d) A Statement is laid on the Table of the House.

#### Statement

(a) The details of sugar production, consumption and export of sugar during each of the last three sugar

seasons and during the current crushing season 2003-2004 (upto 31st October, 2003) are at Annexure:

(Qty. in lakh tonnes)

Sugar Season	Production	Consumption	Exports
2000-2001	185.10	162.00	9.87
2001-2002	184.96	167.48	10.94
2002-2003 (Provisional)	201.32	173.35	15.00
2003-2004 (upto Oct. 2003) (Provisional)	1.61	13.14	0.36

(b) The Government has taken the following measures for increasing the production of sugar:

- (i) The sugar industry has been delicensed with effect from 11.9.1998. The entrepreneurs are now free to take investment and technology decision for establishment of new sugar factories and expansion in the existing sugar factories keeping in view the techno-economic feasibility of their projects.
- (ii) The compulsory levy percentage was reduced from 40% to 30% w.e.f. 1.1.2000, 30% to 15% w.e.f. 1.2.2001 and, w.e.f. 1.3.2002, from 15% to 10%. This has enabled to sugar factories to sell more sugar under the free sale quota in the open market and thereby obtain better realization.
- (iii) Financial assistance from Sugar Development Fund (SDF) is provided for modernization/rehabilitation, expansion of capacity, cane development, research and development etc.

In order to promote export of sugar, the following measures have been taken:

- (i) The sugar meant for export has been exempted from the levy obligation.
- (ii) The quantity of sugar released for export is treated as advance freesale release to be adjusted in the freesale stocks of the sugar factories after a period of 18 months.
- (iii) DEPB at the rate of 4% of the FOB value of export of sugar has been allowed.
- (iv) With effect from 21st June 2002, the sugar factories have been allowed to claim reimbursement of expenditure incurred on internal transport and freight charges @ Rs. 1000 per tonne (maximum) on export shipments of sugar.

(v) With effect from 14th February, 2003, the sugar factories have been allowed neutralization of ocean freight disadvantage on export shipments of sugar @ Rs. 350 per tonne.

(vi) With effect from 3rd October, 2003, the Handling and Marketing Charges have been allowed @ Rs. 500 per tonne on export shipments of sugar.

(c) No, Sir.

(d) Question does not arise.

[*English*]

SHRI PROABODH PANDA: Mr. Speaker, Sir, I have gone through the reply of the hon. Minister which has been laid on the Table of the House. The concerned figures for the year 2003-04 are not complete. They are provisional.

I would like to know from the hon. Minister about the import of sugar. Is there any compulsion on import of sugar as per the conditionalities imposed by the WTO? How much sugar gets imported from Pakistan? How much sugar is required for our public distribution system—both under BPL and APL? Is the stock sufficient or not?

[*Translation*]

SHRI SHARAD YADAV: Mr. Speaker, Sir, hon. Member had asked to furnish the details of the production, consumption and export of sugar during each of the last three years. I would like to say that I have already replied his question. The hon. Member said that no import has taken place during the last three years. He has sought the details of the three years. I would like to submit that during the year 2000-2001, 185 lakh metric tonnes of sugar was produced while 162 lakh metric tonnes of sugar was consumed and 9.87 lakh metric tonnes was exported. Similarly during 2001-2002, the production of the sugar was 184.96 lakh metric tonnes, consumption was 167.48 lakh metric tonnes and the export was to the tune of 10.94 lakh metric tonnes. During 2002-2003 the production, consumption and the export of sugar had been 201.32 lakh metric tonnes, 173.35 lakh metric tonnes and 15 lakh metric tonnes respectively. The figures show that the production, consumption and export of sugar has increased over the years. I replied all the three questions that had been asked by him. Hon. Member has said that there is buffer stock, and that the stock is quite sufficient. The stock is so much in quantum that it is leading to the

fall in the prices of sugarcane and sugar. Hence the sugar industry has been facing a crisis. I would like to apprise the House that during the last year the Government had increased the buffer stock of sugar by 20 lakh tonnes to pay the outstanding dues of the farmers. With the permission of Mr. Speaker, I would like to make announcement while replying the question as I won't find time to do so for it is small session.

[English]

MR. SPEAKER: The hon. Minister is making an important announcement. Please hear him.

[Translation]

SHRI SHEESH RAM SINGH RAVI: Sir, I also hail from a sugarcane growing region. ...*(Interruptions)*

SHRI SHARAD YADAV: I am making this announcement for the farmers which you represent. ...*(Interruptions)*

A buffer stock of 20 lakh tonnes of sugar was made for the duration of one year between 18th December 2002 and 17th December 2003 so that the mill owner could directly procure the sugarcane from the farmers and disburse Rs. 786 crore meant to be given to the sugarcane producers. Out of Rs. 786 crore an amount of Rs. 162 crore from the sugar development fund and Rs. 374 crore was to be mobilised through the banks. As on 1.10.2003, the Sugar mills have a stock of 103 lakh metric tonnes due to which the prices have started to decline again, I would like to announce that the duration of buffer stock is extended for one year *i.e.* upto December 2004 so that the sugar mills may pay their outstanding dues to the farmers directly. In order to ensure that the money is directly received by the farmers a monitoring Committee under my Ministry exists that also ensures that the mills directly open their separate accounts or the payment has to be certified by the cane commissioners. The hon. Member had asked a very good question. Therefore I announced that the buffer stock has been extended for a year which would also ensure that Rs. 778 crore are disbursed among the farmers directly.

SHRI PRABODH PANDA: Will the price of sugar also decrease. ...*(Interruptions)*

SHRI SHEESH RAM SINGH RAVI: I hail from a sugarcane growing region. I also be given an opportunity to ask a question. ...*(Interruptions)*

[English]

MR. SPEAKER: Shri Panda, please ask your supplementary question.

SHRI PRABODH PANDA: My supplementary question is this. I asked the hon. Minister about the import position. May I know whether there is any compulsion to import sugar as per the conditionalities imposed by the WTO? I also know whether there is any import from Pakistan?

[Translation]

SHRI SHARAD YADAV: Mr. Speaker, Sir, I would like to say that I have given a proper reply to the question asked by the hon. Member I would elaborate it further.

MR. SPEAKER: There are several Members who want to ask the questions on this subject. You don't go into much details. ...*(Interruptions)*

SHRI SHARAD YADAV: Hon. Member has asked a good question. I would like to tell in brief that 30 lakh metric tonnes of sugar valued at Rs. 189 crore had been exported in 1999-2000 while 3.39 lakh metric tonnes sugar valued at Rs. 330 crore was exported in the year 2000-2001. ...*(Interruptions)*

SHRI PRABODH PANDA: Tell about the figure of import. ...*(Interruptions)*

SHRI SHARAD YADAV: No import took place during the last three years. You are asking about the import made prior to it. ...*(Interruptions)*

SHRI SHEESH RAM SINGH RAVI: Mr. Speaker, Sir, ...*(Interruptions)*

SHRI PRABODH PANDA: Mr. Speaker, Sir, whether the hon. Minister is speaking on behalf of the hon. Minister. ...*(Interruptions)*

MR. SPEAKER: Pandaji, his remark is not going on the record I have expunged that. Shri Manikrao Hodiya Gavit, you ask the question. ...*(Interruptions)*

SHRI RAMCHANDRA PASWAN: Mr. Speaker, Sir, it seems that hon. Minister is not replying, rather his colleague is replying. If it is so, why is hon. Minister on the legs? Hon. Member be asked to reply and the hon. Minister be asked to resume his seat. ...*(Interruptions)*

MR. SPEAKER: Paswanji, his remark is not going on record. You sit down. I have expunged his remark from the record.

SHRI MANIKRAO HODLYA GAVIT: Mr. Speaker, Sir, hon. Minister has given the figures of the production, consumption and export of sugar during the last three years. The bulk of the production in the country is being made by the cooperative mills in Maharashtra. I would like to know from the hon. Minister whether the Government of India have any scheme to increased this production?

Sir, in the part (b) of my question, I had asked about the import. Hon. Minister told that the levy percentage has been reduced and I thank him for taking this step. The hon. Minister has also told that the sugarmills can sell the sugar in open market but in this regard. I would like to say that most of the co-operative mills of Maharashtra have to take the prior permission of the Government of India to do so which takes a lot of time. The mill owners have to come to Delhi several times to get the permission, still they don't get the permission. In this regard I would like to know from the hon. Minister as to whether he propose to simplify the procedure so that permission could be granted quickly to them. Second thing I would like to say is that the co-operative mills in Maharashtra are not getting the financial assistance given by the Union Government. I am well informed about Maharashtra. Whether the Government will also formulate such policy so that Maharashtra may get this assistance at the earliest. ...(*Interruptions*)

MR. SPEAKER: Shri Gavitji, you please ask question in brief otherwise hon'ble Minister will not be able to reply.

SHRI MANIKRAO HODLYA GAVIT: Mr. Speaker, Sir, I am asking the question in brief. Whether those mills can easily get financial assistance from Development Fund after applying for the same? I would also like to ask a question regarding the measures suggested for enhancing sugar export. The Government of India give permission for the sale of the stock after 18 months. But 18 months is a long period that results in many problems in export. The cooperative Mills face problems in export. I would like to know whether the Government propose to assist them in this regard. ...(*Interruptions*)

MR. SPEAKER: Gavit ji, your question is complete.

SHRI SHARAD YADAV: Mr. Speaker, Sir, hon'ble Member has asked many questions. With your permission, may I reply to all the questions?

MR. SPEAKER: No, please give reply to only one question.

SHRI MANIKRAO HODLYA GAVIT: Mr. Speaker, Sir, I am asking only one supplementary to part 'b' of my question. I have not asked many questions.

SHRI SHARAD YADAV: Mr. Speaker, Sir, I would like to inform to the hon'ble Member that financial assistance is provided through SDF to all the mills whether they are cooperative mills or the public sector mills. There is huge amount in it. As I have told that presently the 20 metric ton of buffer stock of sugar has been extended to another year and efforts are made to tackle this situation. Whatever the hon'ble Member is telling is true. I admit that there is excess of stock. I have introduced the release mechanism of it. It has been introduced because sugar industry is in crisis. When Sugar Industry falls in crisis, first of all farmers of the country are affected. It is single such industry which has been located in rural area and is directly concerned with farmers. There are several difficulties in it. The question that has been asked by the Member is pertinent. There are several problems involved in it. Efforts are being made by us to tackle the situation. ...(*Interruptions*)

MR. SPEAKER: Hon'ble Minister, there are many Members who want to ask question. We have limited time. So please reply in brief. Shri Shivaji Mane.

SHRI SHIVAJI MANE: Mr. Speaker, Sir, through you. ...(*Interruptions*)

SHRI MANIKRAO HODLYA GAVIT: Mr. Speaker, Sir, cooperative Mills have to approach Delhi to seek permission and it cause delay. I had also asked as to what steps are proposed to be taken by the Government to simplify the process. But no reply has been given to this question.

SHRI SHIVAJI MANE: Hodiya Gavit ji, I am going to ask the same thing.

MR. SPEAKER: Mane ji, please ask the same question.

SHRI SHIVAJI MANE: Mr. Speaker, Sir, through you, I would like to submit to the hon'ble Minister that the Central Government had given permission to nearly 24 sugar mills of Maharashtra to export sugar, but instead of exporting it they sold the sugar in domestic market. I would like to know from the hon'ble Minister as to what action was taken by the Government against these sugar



mills as the Central Government was also deprived of foreign currency due to them. ...*(Interruptions)*

MR. SPEAKER: Shri Maneji, time is very short. You please ask direct question.

SHRI SHARAD YADAV: Does he want to know about import or export?

SHRI SHIVAJI MANE: The sugar meant for export was sold in domestic market. There are nearly 24 such sugar factories in Maharashtra. ...*(Interruptions)*

SHRI SHARAD YADAV: Mr. Speaker, Sir, action is being taken regarding the question that has been asked by the hon'ble Member. ...*(Interruptions)*

MR. SPEAKER: Question No. 265.

...*(Interruptions)*

MR. SPEAKER: Athawale ji, I have not permitted you to speak so you please sit down. The reply to this question is completed. I have come over to the next question. You please sit down. We do not have time, only two minute is left. What can I do.

...*(Interruptions)*

MR. SPEAKER: You please raise your subject in the House through some other means.

*[English]*

#### Technology Upgradation Fund

+  
\*265. SHRI MOHAN RAWALE:  
SHRI ABDUL RASHID SHAHEEN:

Will the Minister of TEXTILES be pleased to state:

(a) the number of loan applications received from each State under Technology Upgradation Fund Scheme during each of the last three years;

(b) the number of applications sanctioned and disbursed during the above period to each State;

(c) whether the Government has under consideration any scheme wherein debt repayment of textile units can exceed five years; and

(d) if so, the details thereof?

*[Translation]*

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN): (a) to (d) A statement is laid on the Table of the House.

#### Statement

(a) and (b) The state-wise number of applications received, sanctioned and disbursed under TUFs during the last three years is as follows:

Sl.No.	State/U.T.	2000-2001			2001-2002			2002-2003		
		No. of applications			No. of applications			No. of applications		
		Rec.	San.	Disb.	Rec.	San.	Disb.	Rec.	San.	Disb.
1	2	3	4	5	6	7	8	9	10	11
1.	Andhra Pradesh	19	14	14	9	9	4	2	2	2
2.	Chandigarh	2	2	1	0	0	0	0	0	0
3.	Dadra Nagar Haveli	6	3	2	15	14	14	6	5	4
4.	Daman & Diu	3	3	3	5	5	4	3	2	1
5.	Delhi	7	7	3	14	15	14	11	4	7
6.	Gujarat	136	124	95	129	115	128	106	103	94
7.	Haryana	54	52	36	31	29	25	25	16	13

1	2	3	4	5	6	7	8	9	10	11
8.	Himachal Pradesh	3	4	3	0	0	1	0	0	0
9.	Karnataka	24	21	23	17	15	8	11	9	15
10.	Kerala	0	0	0	0	0	0	7	6	5
11.	Madhya Pradesh	5	6	9	0	1	0	3	3	2
12.	Maharashtra	28	18	15	30	29	27	95	88	63
13.	Nagaland	0	0	0	0	0	0	1	1	1
14.	Orissa	0	0	0	0	0	0	1	1	1
15.	Punjab	93	89	59	58	57	43	62	58	48
16.	Rajasthan	95	53	54	17	28	20	25	31	40
17.	Tamil Nadu	226	205	161	134	116	105	124	116	104
18.	Uttar Pradesh	12	9	7	8	7	6	3	2	3
19.	West Bengal	6	6	9	5	4	2	9	9	8
Total		719	616	494	472	444	401	494	456	411

Rec.—Received;

San.—Sanctioned;

Disb.—Disbursed.

(c) and (d) Since the period of debt repayment for textile units under TUFs is already more than 5 years, there is no need to consider any new scheme.

SHRI MOHAN RAWALE: Mr. Speaker, Sir, through you I would like to know from the hon'ble Minister whether the Technology Upgradation Fund scheme introduced by the Government. *...(Interruptions)* That is for covering spinning, weaving, processing, garment making, cotton weaving etc. under the textile sector. You know that Taiwan, South Korea, Japan, China etc. are textile producing countries. Whether any scheme has been formulated by the Government to compete with them? *...(Interruptions)*

MR. SPEAKER: I understand that it is very important question so I will allow half an hour discussion on this subject, then you may raise this question.

*...(Interruptions)*

MR. SPEAKER: Any hon'ble Member can give notice in this regard.

*...(Interruptions)*

MR. SPEAKER: This discussion can be held on Monday or Tuesday.

*...(Interruptions)*

SHRI MOHAN RAWALE: Mr. Speaker, Sir, I would like to submit to the hon'ble Minister that he has given all the figures, I told him that spinning. *...(Interruptions)*

MR. SPEAKER: Rawale ji, only two minutes are left so straight forward reply will be given only when you ask direct question.

*...(Interruptions)*

SHRI MOHAN RAWALE: Sir, I would like to submit to the hon'ble Minister that more amount has been allocated under this scheme for spinning. Last time Rs. 5227 crore was allocated by the Government. *...(Interruptions)* I do not know how much amount has been given to them. *...(Interruptions)*

MR. SPEAKER: I have allowed the discussion.

*...(Interruptions)*

SHRI MOHAN RAWALE: I would like to know as to why the Government do not provide more subsidy to weaving and processing sectors from which the Government get more revenue due to value addition?

SHRI SYED SHAHNAWAZ HUSSAIN: Sir under the Technology Upgradation Fund Scheme there is provision to provide funds to all these schemes. Loans are provided

only to those who apply for it. Till now 2664 applications have been received by us. The cost of the project is nearly Rs. 18,000 crore and the amount of loan sought was Rs. 10,244. Out of that the Government have approved the schemes amounting to Rs. 14,000 crores. We have accepted nearly 2029 applications while we are ahead in spinning, we are lagging behind in the field of weaving in comparison to other countries. The efforts of our Government is to provide assistance under this scheme if anyone applies also for weaving. ...(*Interruptions*)

SHRI MOHAN RAWALE: The Government get more revenue from the garment sector only when there is value addition in value export. I would like to know as to why the Government not provide fund to them just like that? ...(*Interruptions*)

SHRI SYED SHAHNAWAZ HUSSAIN: The Government will provide loan only when somebody demands.

SHRI MOHAN RAWALE: Sir, they have demanded the loan that is why I am telling but they are not getting it. We have 18 mills in Maharashtra. Please tell me how many NTC mills have been provided money? ...(*Interruptions*)

SHRI SYED SHAHNAWAZ HUSSAIN: The package is being given. ...(*Interruptions*) There is full revival package for NTC. Hon'ble Member also take interest in the revival the NTC Mills. We have not sought money for NTC Mills. This money is meant for those profit making mills who want money for its expansion.

## WRITTEN ANSWERS TO QUESTIONS

[English]

### Non-performing Asset Crisis in IFCI

\*263. SHRI A. BRAHMANAIAH: Will the Minister of FINANCE be pleased to state:

(a) the status of industrial Financial Corporation of India (IFCI) with regard to its NPA position;

(b) whether many other financial institutions are also facing severe NPA crisis;

(c) if so, the details thereof, Financial Institution-wise; and

(d) the steps taken to bring down the high cost of administration of such financial institutions?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) The Gross Non-Performing Assets of IFCI Ltd. as on 31st March, 2003 stood at Rs. 8382 crore.

(b) and (c) Yes, Sir. Net Non-Performing Assets (NPAs) of Financial Institutions (FIs), viz: Industrial Development Bank of India (IDBI), IFCI Ltd., Export Import Bank of India (EXIM Bank), Small Industries Development Bank of India (SIDBI) and Industrial Investment Bank of India (IIBI) for the financial year 2002-2003, are as under:

(In Rs. Crore)

Institution	Net NPA-2002-2003
IDBI	7330.00
IFCI Ltd.	4559.68
EXIM Bank	184.00
SIDBI	472.71
IIBI	810.61*

\*As on June, 2003.

(d) The cost of administration of such financial institutions is lower than that of scheduled commercial banks.

### Crisis in Powerloom Industry

\*266. SHRI A. VENKATESH NAIK:  
SHRI RAMSHETH THAKUR:

Will the Minister of TEXTILES be pleased to state:

(a) whether the powerloom industry is facing a crisis due to hike in cotton yarn price;

(b) if so, the details thereof;

(c) whether many powerloom units have shut down their production and many of them are on the verge of closure;

(d) if so, the steps taken by the Government to arrest the increase in the cotton yarn price;

(e) whether there is any proposal to introduce the export quota again;

(f) if not, the reasons therefor; and

(g) the steps taken by the Government to save the powerloom industry?

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN): (a) to (d) There has been an increase in prices of cotton yarn due to increase in prices of raw cotton, set off by a fall in world cotton production. While this has impacted on weavers in powerloom and handloom industries, it is expected that the affect will be short term, till fabric prices rise in response or yarn prices fall again. Government does not normally intervene to affect market forces of supply and demand.

(e) and (f) There is no proposal to impose quotas on export of cotton yarn, as there is no economic justification for such a move.

(g) Government has taken several initiatives to facilitate growth in the decentralized powerloom industry. The main ones are:

- (i) Central Government has announced a powerloom package in the Union Budget 2003-04 for modernization of powerloom industry by enlarging the scope of Technology Upgradation Fund Scheme, providing Group Insurance Scheme for powerloom workers and assistance for Group Workshed for powerlooms to create a better working environment and obtain high productivity. The package has been made fully operational.
- (ii) Government has taken up modernisation and strengthening of powerloom service centres, which have been set up to provide technical services of training, testing, project preparation etc.
- (iii) Computer Aided Design Centres have been set up to enable small powerloom units to access new designs and upgrade fabric by product development inputs.
- (iv) A programme for induction of 50,000 shuttleless and for 2.50 lakh semi automatic and automatic looms in the decentralised powerloom sector has been announced.

(v) Incentives have been made available under the Technology Upgradation Fund Scheme (TUFS) whereby the powerloom owner can reduce the cost of borrowing capital either by availing 20% Capital Linked Subsidy or by obtaining 5% interest reimbursement of on the loan availed.

(vi) Import duty on shuttleless loom has been reduced and excise duty exemption has been given to indigenous automatic looms. Accelerated depreciation benefits at the rate of 50% have been extended on the weaving machinery installed under TUFS.

(vii) Powerloom Export Entitlement (PEE) quota has been provided to encourage powerloom exports.

#### Export of Agro Products

\*267. SHRI P. KUMARASAMY:  
SHRI HARIBHAI CHAUDHARY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) India's share in the world market in respect of export of agro-products;

(b) whether this share is still very less in comparison to other Asian countries;

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

(d) the total value and quantum of agricultural produce exported during each of the last three years upto October, 2003-04;

(e) the net foreign exchange earned therefrom during the above period; and

(f) the steps being taken to promote agro-export and to increase India's share in world market as well as to make Indian products more competitive in the international market?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) As per WTO Statistics for the year 2001, India's share in the world export of agro products is little more than 1%.

(b) and (c) Comparative figures for major Asian countries for the year 2001 and 2002 are as under:

Country	% to world	
	2001	2002
Bangladesh	0.08	—
China	3.00	3.22
Hong Kong, China	0.90	0.83
India	1.13	—*
Indonesia	1.26	1.54
Japan	0.93	0.76
Malaysia	1.29	1.53
Mauritius	0.07	0.08
Pakistan	0.20	0.20
Philippines	0.35	0.33
Singapore	0.59	0.57
Sri Lanka	0.19	0.18
Taipei, Chinese	0.58	0.59
Thailand	2.17	1.98
Korea	0.71	0.68

(Source: World Trade Organisation; website: wto.org)

\*Data not available.

(d) and (e) The earning from agricultural exports (including tea, coffee, cotton and castor oil but excluding marine) during the last three years is as indicated below:

Year	Agri Exports (Rs. In crores)	US\$ Mill.
2001-2002	22,246	4,664
2002-2003	24,347	5,032
2003-2004 (April-Aug.) (P)	9,331	1,975
2002-2003 (April-Aug.) (P)	9,638	1,968

(P: Provisional) (Source: DGCI&S)

(f) In order to promote agricultural exports, Government provides a variety of incentives in the form of financial and other assistance through its agencies such as Commodity Boards/Authorities for infrastructure development, modern packaging units, quality and quality control, market development and creation of Agriculture Export Zones etc.

### Export to US Market

\*268. SHRI V. VETRISELVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has achieved a share of one percent of total US imports in 2002 and improved its ranking from 22 to 19 largest supplier to US market;

(b) if so, the total Indian exports to US compared to US exports to India during 2001 as compared to 2002;

(c) whether trade balance is favourable to India;

(d) if so, the factors responsible for the same; and

(e) the further plans of the Government to boost India's exports to US market?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) Yes, Sir. India had achieved a share of 1.02% of total US imports in 2002 and was the 19th largest supplier to the US market.

(b) The total Indian exports to US compared to the US exports to India during calendar year 2001 and 2002 is given below:

	(In millions of US Dollars)		
	2001	2002	%change
Indian exports to US	9,737.17	11,818.32	21.37
US exports to India	3,757.04	4,101.05	9.16

(c) Yes, Sir.

(d) and (e) The Government's efforts to expand Indo-US trade are a sustained and continuous process. Besides, promoting India's export to USA in general and identifying products with good export potential, efforts are made to break into new areas. Special emphasis is being given on developing new and fast growing sectors, such as information technology and biotechnology. Exports are also promoted through participation in major trade shown and specific trade promotion events, apart from streamlining the information and data base. Close monitoring is being done of important bilateral trade related issues in liaison with US Authorities.

### Farm Trade Reforms

\*269. SHRI IQBAL AHMED SARADGI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the European Union and the US have presented a joint plan for farm trade reforms that could inject new life into troubled world trade talks;

(b) if so, the main features of this proposal;

(c) whether the Government has opposed this proposal;

(d) if so, the main reasons for the same;

(e) whether the US, EU and Canada have also submitted a joint proposal to the World Trade Organisation suggesting an alternative formula for tariff cuts in non-agriculture projects; and

(f) if so, the details thereof?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) and (b) On 13th August 2003, prior to the Cancun Ministerial Conference scheduled in September, the European Union (EU) and the United States (US) presented a joint proposal on a framework for modalities for negotiations on the World Trade Organization (WTO) Agreement on Agriculture. The EU-US joint text accommodated their respective sensitivities across each of the three pillars of domestic support, export competition and market access of the WTO Agreement on Agriculture. The proposal did not quantify the commitments by WTO Members across these three pillars, leaving them open to subsequent negotiation.

In respect of domestic support, the proposals could have the result of permitting the EU and the US to by and large maintain their respective support levels implicit in the 2002 Farm Act of the US and the 2003 Common Agricultural Policy (CAP) reforms of the EU, besides not meeting the requirement of substantial reductions in trade-distorting domestic support set out in the Doha mandate to negotiate.

In respect of export subsidies, the EU-US joint text limits phasing out of export subsidies only to some products, and draws a parallelism in the effects of reduction of direct and indirect export subsidies, while the Doha mandate to negotiate requires reduction, with a view to phasing out, all forms of exports subsidies.

In respect of market access commitments, the EU-US text was the most ambitious in seeking steep reductions in tariffs from developing countries in particular, while providing for protection through tariffs and safeguards on their own sensitive agricultural products.

(c) and (d) In view of the self-serving nature of the EU-US joint text, these proposals evoked a strong reaction from developing countries, which led to the formation of the G-20 alliance on agriculture. India, along with other developing countries as part of the G-20 alliance on agriculture, which includes Argentina, Brazil, China, Egypt, Indonesia, Philippines, South Africa and Zimbabwe, have maintained that the offer of reform of their farm sector by the developed countries does not meet the objectives of the Doha mandate on the negotiations in agriculture, which calls for substantial reduction in trade distorting domestic support, phasing out all forms of export subsidies, and substantial improvements in market access, while ensuring that special and differential treatment for developing countries is an integral part of all elements of the negotiations and enable developing countries to effectively take account of their development needs, including food security and rural development.

(e) and (f) The joint proposal submitted by US, EU and Canada suggested an alternative formula for tariff cuts in non-agricultural products which would reduce the reduction commitments of the developed countries while increasing the developing countries' reduction commitments.

### Frauds In Banks

\*270. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of FINANCE be pleased to state:

(a) the State-wise number of cases of corruption amongst the employees of public sector banks caught by the CBI during the last three years; and

(b) the steps taken by the Government for eradication of corruption from banks?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) Central Bureau of Investigation (CBI) has informed that during the last three years i.e. 2001, 2002 & 2003 (upto 30.11.2003), it has registered the following State-wise number of cases against the employees of Public Sector Banks:

State/UT	2001	2002	2003
Andhra Pradesh	10	14	18
Assam	1	1	3
Bihar	3	1	3
Chandigarh	0	2	0
Delhi	7	16	12
Goa	1	2	0
Gujarat	7	7	2
Haryana	0	1	6
Himachal Pradesh	0	0	2
Jammu & Kashmir	2	1	1
Jharkhand	1	4	6
Karnataka	7	16	12
Kerala	5	12	13
Madhya Pradesh	7	4	5
Maharashtra	5	12	22
Manipur	1	1	1
Orissa	6	4	5
Punjab	2	5	8
Rajasthan	5	8	7
Tamil Nadu	14	20	25
Uttar Pradesh	5	15	10
Uttaranchal	2	0	0
West Bengal	22	13	9

(b) Reserve Bank of India (RBI) has instructed banks from time to time to strengthen the vigilance set up and introduce preventive and prohibitive measures. The function of vigilance system is reviewed during the course of onset inspection. RBI as a part of its supervisory responsibility has been advising banks about common fraud prone areas and the measures to be taken by them to prevent/reduce the incidence of frauds including frauds in computerized environment in banks which includes introduction of a system of concurrent audit; monitoring of working of internal inspection and audit machinery at the top most level in banks; clear demarcation of duties and responsibilities of employees;

periodical rotation of staff; prompt disciplinary action; intensive screening of candidates at the time of recruitment; implementation of recommendations of Mitra Committee, etc.

#### **Electronic Net to Catch Tax Evaders**

\*271. SHRI SADASHIVRAO DADOBA MANDLIK:  
SHRI ADHIR CHOWDHARY:

Will the Minister of FINANCE be pleased to state:

(a) whether the existing system for checking tax evaders is totally ineffective and generating black money;

(b) if so, the facts in this regard;

(c) whether the Union Government proposes to put in place an electronic net to catch the tax evaders; and

(d) if so, the details of the proposed scheme?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) No, Sir.

(c) The existing system for checking tax evasion is being strengthened with the assistance of the latest technology. A Data Bank of high value financial transactions in the Income Tax Department is being created through the mechanism of Annual Information Returns.

(d) The Annual Information Return which would contain details of high value financial transactions would be required to be filed under the provisions of Section 285BA of the Income Tax Act, 1961. This provision shall come into force from 1st April, 2004.

#### **Import of Marine Products by USA**

\*272. SHRI P. RAJENDRAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether USA has passed a new import policy (Anti dumping Act) in regard to import of marine products;

(b) if so, the details thereof;

(c) the likely adverse impact of such policy on Indian marine export and marine industry; and

(d) the steps proposed to be taken to protect the Indian marine industry from said impact?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) No, Sir.

(b) to (d) Do not arise.

**Committee on Buffer Stocking Norms**

\*273. SHRIMATI NIVEDITA MANE:  
SHRI DALPAT SINGH PARSTE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has constituted a 5th technical group for recommending the buffer stocking norms for the Tenth Five Year Plan;

(b) if so, the details thereof alongwith the composition of the Group;

(c) whether the Group has submitted its reports to the Government;

(d) if so, the details of main recommendations made by the Group;

(e) whether the Government has reviewed the buffer stock policy keeping in view the above recommendations;

(f) if so, the details thereof; and

(g) the criteria followed for allocation of buffer stock of foodgrains/sugar to States under different schemes?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV):

(a) and (b) Yes, Sir. To recommend Buffer Stocking Policy of foodgrains for the Tenth Five Year Plan (2002-2007), Fifth Technical Group on Buffer Stocking Policy was constituted on 19.3.2001 under the Chairmanship of Secretary Department of Food and Public Distribution. The Composition of the Group is given in the statement enclosed.

(c) to (f) The Buffer Stocking Policy for Tenth Plan is under consideration of the Government in the light of the recommendations of the 5th Technical Group.

(g) The Buffer Norms are finalized for the country as a whole and not Statewise/Schemewise.

**Statement**

*Composition of the 5th Technical Group to Recommend the Buffer Stocking Policy of Foodgrains for the 10th Five Year Plan (2002-2007)*

1.	Secretary, Department of Food & Public Distribution	Chairman
2.	Additional Secretary & Financial Advisor, Department of Food & Public Distribution	Member
3.	Joint Secretary (Policy), Department of Food & Public Distribution	Member
4.	Managing Director, Food Corporation of India	Member
5.	An Officer not below the rank of Additional Secretary Department of Agriculture & Cooperation	Member
6.	An Officer not below the rank of Joint Secretary/Economic Advisor, Planning Commission	Member
7.	Economic Advisor, Department of Economic Affairs, Ministry of Finance	Member
8.	Economic & Statistical Advisor, Dte. of Economic & Statistics, Ministry of Agriculture	Member
9.	A representative from RBI	Member
10.	Economic Advisor, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution	Member
11.	Joint Secretary, Department of Food and Public Distribution	Member-Secretary



**Co-opted Members**

1. Secretary, Food & Civil Supplies, Govt. of Punjab
2. Secretary, Food & Civil Supplies, Govt. of Tamil Nadu
3. Secretary, Food & Civil Supplies, Govt. of West Bengal
4. Secretary, Food & Civil Supplies, Govt. of Assam
5. Secretary, Food & Civil Supplies, Govt. of Maharashtra
6. Prof. Prem S. Vashishtha, Director, Agricultural Economics Research Centre, Delhi School of Economics, University of Delhi.
7. Dr. Kirit Parikh, Professor Emeritus, Indira Gandhi Institute of Development & Research, General Vaidya Marg, Mumbai.
8. Dr. Bhalchandra L. Mungekar, Vice-Chancellor, University of Bombay, Vidhya Nagar, Bombay-100 098.
9. Prof. Abhijit Sen, Centre for Economics & Planning, Social Science Building, JNU, New Delhi.
10. A representative from Indian Institute of Public Administration, New Delhi (to be nominated).

**Schemes for Textile Sector**

\*274. DR. JASWANT SINGH YADAV: Will the Minister of TEXTILES be pleased to state:

(a) the details of schemes and programmes formulated and being implemented by the Government to promote textiles sector in the country;

(b) whether these schemes take care of the economic interest of SCs/STs and OBCs by generating employment;

(c) if so, the details thereof; and

(d) the funds allotted for the same during the year 2003-2004 so far, State-wise?

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN): (a) to (d) The important schemes and programmes formulated & implemented and Plan fund allocations for the same during the year 2003-2004 (BE) are as under:

Sector	Funds allocated (In Rs. Crores)
1	2
Handloom	156.77
Powerlooms	14.00

1	2
Sericulture	92.68
Handicrafts	103.55
Wool & Woollens	13.00
Cotton Technology Mission	30.00
Apparel Parks	22.00
Infrastructure Development Schemes	22.50
Technology Upgradation Fund Scheme	250.00

No State-wise allocation is made under these schemes, as funds are released on the basis of proposals received from State Governments and other implementing agencies. The schemes and programmes being formulated and implemented in the textile sector especially schemes in the Handloom, Handicraft, Wool, Sericulture and powerloom sectors are employment intensive and serve to augment or create incomes for all sections of society, including SCs/STs and OBCs. It is estimated that at the end of 10th Plan period the total employment in textile industries would be 40.15 million persons.

**Redemption of RIB**

\*275. SHRIMATI PRABHA RAU: Will the Minister of FINANCE be pleased to state:

(a) whether the redemption of Resurgent India Bonds raised by the State Bank of India (SBI) in 1998 was due on October 1, 2003;

(b) if so, the total amount fetched through these bonds and the terms attached to the payment on money consequent on the redemption of bonds;

(c) whether liability of the Government is reduced considerably as a result of the appreciation of rupee during the recent months; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) Yes, Madam;

(b) State Bank of India had raised equivalent of US dollars 4.23 billion through Resurgent India Bonds (RIBs). RIBs were raised at the interest rate of 7.75%, 8% and 6.25% for US dollar (USD), Pound Sterling (GBP) and German Mark (DM/Euro) deposits respectively. On maturity, repayment was to be in foreign currency, viz. US dollar, Pound Sterling, Euro, depending on the case. If the holder became a resident in India before maturity of the bonds, he had the option of receiving the entire principal amount and interest due thereon either in foreign currency by credit to a Resident Foreign Currency account or in non-repatriable Indian rupees. In case a survivor or donee became a resident in India, the entire principal amount and the interest due thereon were paid in non-repatriable Indian rupees;

(c) Yes, Madam;

(d) While the rupee has appreciated against US dollar, it has depreciated against Pound Sterling and Euro currencies during the year 2003-04. Reserve Bank of India has informed that the exact reduction in the liability of Government as a result of the appreciation of rupee will be known only at the end of the financial year.

#### Loans Taken by FCI

\*276. SHRI C.N. SINGH:  
SHRI RAM MOHAN GADDE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the loans taken by the Food Corporation of India (FCI) till date from various sources;

(b) the total interest paid by FCI during each of the last three years till date;

(c) whether FCI has decided to tap the capital market to cut down its burden of debt servicing;

(d) if so, the details thereof;

(e) whether FCI is also planning transit/stock insurance for foodgrains; and

(f) if so, the details thereof alongwith the extent to which this step is likely to help FCI?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV): (a) The working capital requirements of the Food Corporation of India (FCI) are met by a consortium of banks constituted by the Reserve Bank of India with the State Bank of India in the Lead.

As on 11.12.2003, the Cash Credit utilization (Food Account) was Rs. 14,874 crore.

(b) The expenditure on account of interest during the last 3 years is as under:

2000-01	—	Rs. 2,601.33 crore
2001-02	—	Rs. 3,298.14 crore
2002-03	—	Rs. 3,375.95 crore

(c) and (d) The FCI has formulated a proposal for going in for market borrowings as an alternate source for financing its operations.

(e) and (f) Yes, Sir. The proposal is at a preliminary stage.

[*Translation*]

#### Cooperative Banks Functioning without Licence

\*277. SHRI RAMJI LAL SUMAN:  
SHRI NAWAL KISHORE RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether many co-operative banks are functioning in the country without having obtained the valid licence of RBI;

(b) if so, the number of such co-operative banks, State-wise;

(c) whether the Government has received reports regarding misappropriation of funds and irregularities in the operation of these banks;

(d) if so, the State-wise names of such banks wherefrom such reports have been received during the last three year; and

(e) the action taken by RBI against such banks?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) Reserve Bank of India (RBI) has reported that 108 Urban Co-operative Banks (UCBs), 17 State Cooperative Bank (SCBs) & 294 District Central Cooperative Banks (DCCBs) are functioning in the country without licence from RBI. The State-wise number of such banks is given in the statement-I enclosed. While these banks do not have licences, they are permitted to carry on banking operations until their licence applications are rejected by RBI.

(c) and (d) During the course of inspection by RBI, major irregularities were found in 91 UCBs. Frauds and misappropriation were reported in 22 of such UCBs and 21 SCBs and 290 DCCBs as on 31.3.2003. The state-wise details of UCBs, SCBs and DCCBs involved in major irregularities are given in the statement-II and III respectively.

(e) RBI has directed cooperative banks to report case of frauds/misappropriation of funds to the investigating agencies or file criminal case in Courts and report to the concerned Registrar of Co-operative Societies (RCS)/RBI immediately on the occurrence/notice of fraudulent transactions and misappropriation of funds. RBI also informs the concerned Registrar of Cooperative Societies (RCS) for necessary action in addition to forwarding a copy of their inspection report. Further, Cooperative Banks have been advised to rectify the irregularities/deficiencies and strictly comply with laid down systems, procedures and strengthen internal controls.

**Statement I**

*State-wise number of Co-operative Banks functioning in the country without valid licences from Reserve Bank of India*

S.No.	State/Union Territory	State Cooperative Banks	District Central Cooperative Banks	Urban Cooperative Banks
1	2	3	4	5
1.	Andaman & Nicobar Island	1	—	—
2.	Andhra Pradesh	1	19	6
3.	Assam	1	—	1
4.	Bihar	1	22	—
5.	Chandigarh	1	—	—
6.	Chhattisgarh	1	6	—
7.	Gujarat	—	15	29
8.	Haryana	—	16	—
9.	Himachal Pradesh	1	2	—
10.	Jammu & Kashmir	1	3	—
11.	Jharkhand	—	7	—
12.	Karnataka	—	17	12
13.	Kerala	—	4	5

1	2	3	4	5
14.	Madhya Pradesh	1	34	3
15.	Maharashtra	1	22	8
16.	Manipur	1	—	1
17.	Meghalaya	—	—	2
18.	NCT of Delhi	1	—	1
19.	Orissa	1	15	4
20.	Punjab	—	12	4
21.	Rajasthan	1	26	1
22.	Tamil Nadu	—	17	10
23.	Tripura	1	—	—
24.	Uttar Pradesh	1	42	7
25.	Uttaranchal	—	4	—
26.	West Bengal	1	11	14
	Total	17	294	108

**Statement II***State-wise details of Urban Cooperative Banks involved in reports of irregularities (as on 31.3.2003)*

Sl. No.	State	Name of the Urban Cooperative Bank
1	2	3
1.	Andhra Pradesh	Cumbum Urban Cooperative Bank
2.		Gooty Cooperative Urban Bank
3.		Guntur Women Cooperative Bank
4.		Jampeta Cooperative Urban Bank
5.		Tenali Cooperative Urban Bank
6.		Uravakonda Cooperative Urban Bank
7.	Assam	The Mahabhairab Cooperative Urban Bank
8.	Gujarat	Baroda District Industrial Cooperative Bank
9.		Borsad Nagarik Sahakari Bank
10.		Junagadh Vibhagiya Nagarik Sahakari Bank
11.		Kapadwanj Cooperative Bank
12.		Mahila Sahakari Bank
13.		Ode Urban Cooperative Bank

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1	2	3
14.		Porbandar Commercial Cooperative Bank
15.		Shree Bharat Cooperative Bank
16.		Shree Cooperative Bank
17.		Shri Dhandhuka Janta Sahakari Bank
18.		Shree Ghoghamba Vibhag Nagarik Sahakari Bank
19.		Shree Krishna Sahakari Bank
20.		Shree Mahuva Nagarik Sahakari Bank
21.		Shree Parswanath Cooperative Bank
22.		Shree Virpur Urban Sahakari Bank Ltd.
23.		Shri Sarvakundla Nagarik Sahakari Bank
24.		Social Cooperative Bank Ahmedabad
25.		Textile Processors Cooperative Bank Ltd.
26.		The Bodeli Urban Cooperative Bank
27.		The Jambusar Peoples Cooperative Bank
28.		The Nagarik Sahakari Bank Ltd.
29.		The Padra Nagarik Sahakari Bank Ltd.
30.		The Palanpur Peoples Cooperative Bank
31.		The Rajula Nagarik Sahakari Bank Ltd.
32.		The Sidhpur Nagarik Sahakari Bank
33.		The Umreth Peoples Cooperative Bank
34.		The Waghodia Urban Cooperative Bank
35.		Unjha Nagarik Sahakari Bank Ltd.
36.		Vadnagar Nagarik Sahakari Bank
37.	Himachal Pradesh	Chamba Urban Cooperative Bank
38.		Shimla Urban Cooperative Bank
39.	Karnataka	Arsikera Urban Cooperative Bank
40.		Bellary Saudara Urban Cooperative Bank
41.		Haliyol Urban Cooperative Bank
42.		Raibag Urban Cooperative Bank
43.	Kerala	Nemmara Cooperative Bank
44.		The Allepey Urban Cooperative Bank

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1	2	3
45.		The Irinjalakuda Towan Cooperative Bank
46.		The Karamana Cooperative Bank
47.		Vadakara Cooperative Bank
48.	Madhya Pradesh	The Hindu Nagarik Sahakari Bank
49.	Maharashtra	Appasaheb Birmale Sahakari Bank Ltd.
50.		Sanmitra Sahakari Bank Maryadit
51.		The Koregaon Cooperative Peoples Bank Ltd.
52.		Nashik Jilla Sahakari & Parishad Karamchari Sahakari Bank
53.		The Premier Automobiles Employees Cooperative Bank
54.		The Rajwade Mandal peoples Cooperative Bank
55.		Vita Urban Cooperative Bank
56.	Manipur	Moirang Primary Co-operative Bank Ltd.
57.	Meghalaya	Jowai Cooperative Urban Bank Ltd, Jowai
58.		Shillong Cooperative Urban Bank Ltd.
59.	Orissa	Balasore Urban Cooperative Bank
60.		Baripada Urban Cooperative Bank
61.		Parkhemundi Urban Cooperative Bank
62.		Puri Urban Cooperative Bank Ltd.
63.	Punjab	Kurali Urban Cooperative Bank
64.		Nakodar Hindu Urban Cooperative Bank
65.	Rajasthan	Rajasthan Urban Cooperative Bank
66.	Tamil Nadu	Melur Cooperative Bank
67.		The Arcot Cooperative Urban Bank Ltd.
68.		The Bodinayakanur Cooperative Bank
69.		The Chinthadripet Cooperative Bank
70.		The Kothagiri Cooperative Bank
71.		The Kulithalai Cooperative Bank
72.		The People's Cooperative Bank
73.		Varaganery Cooperative Bank
74.	Uttar Pradesh	510 Army Base Workshop Credit Cooperative Primary Bank
75.		Lucknow University Admn. Staff Primary Cooperative Bank

1	2	3
76.		Ordnance Equipment Factory Prarambhik Sahakri Bank
77.		The Mechanical Department Primary Cooperative Bank
78.		Uttar Pradesh Civil Secretariat Primary Cooperative Bank
79.	West Bengal	Budge Budge Nangi Cooperative Bank
80.		Eastern and North East Frontier Railway Cooperative Bank
81.		Nabadwip Cooperative Bank
82.		National Insurance Employees Cooperative Credit & Banking Society
83.		The Joynagar-Mozilpur People Cooperative Bank
84.		Union Cooperative Bank Ltd.
85.		AVB Employees Cooperative Credit Society and Bank Ltd.
86.		Dhakuria Cooperative Bank
87.		Ranaghat Peoples Bank Ltd.
88.		State of India Staff Association
89.		The Bankura Town Cooperative Bank
90.		The Bishnupur Town Cooperative Bank
91.		West Bengal Government Press Employee Cooperative Thrift & Credit Society.

**Statement III**

*State-wise details of the number of SCBs and DCCBs involved in irregularities as on 31.3.2003*

S.No.	State/Union Territories	March, 2003	
		SCBs	DCCBs
1	2	3	4
1.	Andaman & Nicobar Island	1	—
2.	Andhra Pradesh	1	20
3.	Arunachal Pradesh	1	—
4.	Assam	1	1
5.	Bihar	—	23
6.	Chandigarh	—	—
7.	Chattisgarh	—	6

1	2	3	4
8.	Dadar & Nagar Haveli	—	—
9.	Daman & Diu	—	—
10.	Goa	1	—
11.	Gujarat	1	12
12.	Haryana	—	7
13.	Himachal Pradesh	1	2
14.	Jammu & Kashmir	—	2
15.	Jharkhand	—	—
16.	Karnataka	1	18
17.	Kerala	1	8
18.	Lakshadweep	—	—
19.	Madhya Pradesh	—	35

1	2	3	4
20.	Maharashtra	1	31
21.	Manipur	1	—
22.	Meghalaya	1	—
23.	Mizoram	1	—
24.	Nagaland	1	—
25.	NCT of Delhi	1	—
26.	Orissa	1	9
27.	Pondicherry	—	—
28.	Punjab	1	13
29.	Rajasthan	1	16
30.	Sikkim	—	—
31.	Tamil Nadu	1	21
32.	Tripura	1	—
33.	Uttar Pradesh	—	42
34.	Uttaranchal	—	9
35.	West Bengal	1	15
Total		21	290

Note: Data bank of NABARD, Head Office does not generate names of the banks involved separately.

[English]

#### Exim Bank

\*278. SHRI Y.V. RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the Exim Bank is not able to finance large export proposals of the Indian companies at present;

(b) if so, the reasons therefor;

(c) whether the Government has decided to strengthen the Exim Bank; and

(d) if so, the steps being taken in this direction?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) The EXIM Bank is not the only institution to finance large export proposals of Indian Companies. All banks and financial institutions can do so.

(c) and (d) The EXIM Bank of India is a profit making institution and, hence, there is no proposal for restructuring it. However, the Government have agreed to provide guarantees and interest rate equalization support at the rate of 2.5% per annum, on a case to case basis, for extending lines of credit.

#### Industrial Growth

\*279. SHRI VILAS MUTTEMWAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrial growth during the past few months has shown a declining trend as revealed in the data released by the Central Statistical Organisation (CSO);

(b) if so, the sectors which have been affected by low production during the last six months and the reasons therefor; and

(c) the steps taken by the Government to check the declining trend in the industrial growth?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) and (b) There has been growth in overall industrial production as reflected in the Index of Industrial Production (IIP). As per the information available from the Central Statistical Organisation up to October, 2003, the overall growth in industrial production month wise since April 2003 was as indicated in the parentheses: April 2003 (4.2 per cent), May 2003 (6.4 per cent), June 2003 (6.7 per cent), July 2003 (6.6 per cent), August 2003 (5.5 per cent), September 2003 (7.1 per cent) and October 2003 (5.4 per cent). The growth in industrial production in terms of broad sectors and use-based classification during the first six months (April-September) of the current year was as under.

#### Growth Rates in Industrial Output in terms of IIP\* in percent

Industry Group	Weight (In %)	April-September	
		2002	2003
1	2	3	4
<b>Sectoral</b>			
Mining & Quarrying	10.5	6.5	4.2
Manufacturing	79.4	5.5	6.6
Electricity	10.2	3.4	3.0
Overall	100.0	5.4	5.9



1	2	3	4
<b>Use based Classification</b>			
Basic goods	35.6	4.9	4.6
Capital goods	9.3	9.4	8.7
Intermediate goods	26.5	1.9	4.7
Consumer goods	28.7	8.2	8.3
Consumer durable	5.4	-6.3	5.7
Consumer non-durable	23.3	14.2	9.2

Note: \*IIP-Index of Industrial Production (Base: 1993-94=100)

(c) Over the years, government has taken a number of steps to ease supply side constraints through various economic reform measures to promote industrial production. These measures have been complemented by a number of initiatives on taxation and trade policy as well.

In the area of indirect taxes, the government has reduced both the multiplicity and levels of tax rates. Peak customs tariffs have been gradually reduced to 25 per cent with further cuts on a number of capital goods used by the textiles, plantations, power, telecom and information technology sectors. The reduction in customs tariffs has been accompanied by removal of quantitative restrictions. This will allow Indian industry greater access to their inputs at competitive prices. Excise duty regime has also been greatly simplified and rationalised with the introduction of central value added tax (CENVAT). This has lowered the incidence of excise on a large number of items. The Budget for 2003-04 has also reduced excise duty rates on a number of items in the textile sector. Export Promotion Capital Goods Scheme (EPCG) has been liberalized to impart greater flexibility in its operation.

Further the Budget for 2003-04 has provided a major thrust to infrastructure, principally roads, railways, airports and seaports. This is expected to have a favourable impact on demand for a wide variety of industrial products. Besides, the Government has introduced the Industrial Infrastructure Upgradation Scheme. It is a Central Sector Scheme with a provision of Rs. 675 crore in the Tenth Plan to be implemented by the Department of Industrial Policy and Promotion. Objective of the scheme is to enhance international competitiveness of the domestic industry by providing quality infrastructure through public-private partnership approach in selected functional clusters/

locations. These measures have been complemented by the Reserve Bank of India's stance of monetary policy with its preference for softening of interest rates and provision for adequate liquidity to meet credit growth and support investment demand.

[Translation]

#### Policy on Onion Exports

\*280. SHRI SHIVAJI VITHALRAO KAMBLE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has formulated any policy in regard to export of onions;

(b) if so, the details thereof;

(c) the likely impact of this policy on the price of onions in the country; and

(d) the benefits likely to accrue to farmers therefrom?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) and (b) As per extant EXIM Policy, export of onion is free from any quantitative restriction, subject only to canalization through National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and other State Trading Enterprises (STEs) An Inter-Ministerial Review Committee (IMRC) periodically reviews the overall situation in the domestic market.

(c) and (d) Export of onion, being a small percentage of total production, is unlikely to have any significant impact on the onion prices in the country. Removal of quantitative restrictions from exports of onion with effect from 9th May 2003 has resulted in steady increase in quantum of exports. This should help farmers in getting a more remunerative price.

[English]

#### Complaints against Roofit Industry

2621. SHRI KIRIT SOMAIYA: Will the Minister of FINANCE be pleased to state:

(a) whether the DCA and SEBI has received complaints from small investors of Roofit Industries to protect them;

(b) if so, the details thereof;

(c) whether any inquiry/investigation has been made by DCA and SEBI into the matter; and

(d) if so, the present status of the inquiry/investigation?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) The Company had defaulted in refunding maturity deposits alongwith interest to their deposit holders.

(c) and (d) The Company Law Board directed the company to make repayments of deposits as per the schedule drawn up by them. On the company representing that a reference to B.I.F.R. has since been made under the Sick Industrial Companies (special provision) Act, 1985, the Company Law Board directed the Company to move the B.I.F.R. for seeking their appropriate directions for making payments to depositors for hardship cases. However, the Registrar of Companies has initiated action U/s 58A(10) of the Companies Act for non-compliance of the orders of 31.07.2002 by the Company Law Board.

#### Land of Tribals

2622. SHRI SURESH RAMRAO JADHAV: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Government is aware of the increasing trend of non-tribals getting married to tribal girls and usurping their land, depriving the tribals from land rights all over the country and especially in tribal dominated areas;

(b) if so, whether the Government has decided to bring any law to banning transfer of tribal land to non-tribals;

(c) if so, the details thereof; and

(d) the steps taken by the Government to protect the land of tribals which manifest their culture and traditions?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) to (d) No specific instance has come to the notice of this Ministry. However, "Land" being a State Subject, most of the State Governments have enacted laws for prevention of alienation of tribal land. Moreover, the Supreme Court in Civil Appeal No. 4601-4602/96 had

upheld restrictions on the transfer of tribal land. Relevant extract of the judgement have been circulated to the States for strict adherence.

#### Salary of RRB Staff

2623. SHRI BASU DEB ACHARIA: Will the Minister of FINANCE be pleased to state:

(a) whether the order issued by National Bank for Agriculture and Rural Development on 31st January, 2003 to the RRBs has been stayed by Hon'ble High Court;

(b) if so, whether all the stay order issued by different High Courts have been communicated to the RRBs;

(c) if not, the reasons therefor;

(d) whether Government of India has issued any order after 17th April, 2002 to the RRBs under section 17 of the RRBs Act, relating to revision of salary structure of the RRB Staff; and

(e) if so, the details thereof alongwith the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The information is being collected and will be placed on the Table of the House to the extent available.

(d) No, Sir.

(e) Does not arise.

[Translation]

#### Export of Salt

2624. SHRI Y.G. MAHAJAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether salt is being exported from India;

(b) if so, the quantum of salt exported during each of the last three years; and

(c) the net foreign exchange earned thereby during the said period?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) Yes, Sir.

(b) and (c) The quantum of salt exported and its value during the last three years is given in Part 'A' and 'B' of the table given below, respectively. Export earnings

from quantity exported to Nepal & Bhutan is in Rupees terms.

*Export of Salt from India*

	2000	2001	2002	2003 (upto October)
A. Quantity (in Lakh Tonnes)	10.57	16.13	13.66	9.48
B. Value (Lakh Rs.)				
(i) Foreign Exchange earned on export of salt to countries other than Nepal and Bhutan	5485.9	7218.4	5303.8	3134.7
(ii) Nepal and Bhutan	690.2	808.2	1043.6	579.2
Total:	6176.1	8027.6	6347.4	3713.9

[English]

**New Scheme for Tribals**

2625. DR. N. VENKATASWAMY: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Government has recently started a new Central Scheme namely 'Exchange of Visits by Tribals';

(b) if so, the number of visits organized under the scheme, State-wise as on September 31, 2003;

(c) the amount sanctioned and spent under the scheme on September 31, 2003 State-wise; and

(d) the number of beneficiaries in each of the last three years, State-wise?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) Yes, Sir. The scheme was launched during the year 2001-02.

(b) to (d) The position as on September 30, 2003 is given in the Statement enclosed.

**Statement**

S.No.	Year	Visits from the State/Organisation	Amount Sanctioned (Rs. in Lakhs)	For the Visit of Teams/Groups	No. of Tribal Beneficiaries
1	2	3	4	5	6
1.	2001-02	Tripura	1.29	1	10
2.	-do-	Mizoram	1.63	1	15
3.	-do-	Karnataka	6.25	4	40
4.	-do-	Gujarat	1.86	3	30
5.	2002-03*	Manipur	2.08	4	40
6.	-do-	Kerala	1.94	2	20
7.	-do-	Andhra Pradesh	2.21	3	30

1	2	3	4	5	6
8.	-do-	Gujarat	1.95	3	30
9.	-do-	Rajasthan	18.73	23	300
		(i) M.L. Verma Training Research & Trg. Institute, Udaipur &			
		(ii) West Zone Cultural Centre, Udaipur			
10.	-do-	Tripura	2.40	1	10
		Total	40.34	45	525

\*Till September, 2003.

### Banking Licence to Cooperative Societies

2626. SHRIMATI JAYABEN B. THAKKAR: Will the Minister of FINANCE be pleased to state:

(a) whether in a major ruling the Supreme Court has held that the Reserve Bank of India can not grant banking licence to Cooperative Societies registered under the State Act without the NABARD declaring it as a State, Central or Primary Cooperative Bank; and

(b) if so, the fate of those cooperative societies which got licences from RBI before the ruling of the Supreme Court?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir. However, the Supreme Court in its recent ruling made on October 29, 2003 has held that Reserve Bank of India (RBI), by virtue of its power under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies), can not grant licence to any co-operative bank unless it is a State Co-operative Bank, a Central Co-operative Bank or a Primary Co-operative Bank.

(b) The Supreme Court has not dealt with explicitly on the validity of the banking licences issued by RBI to the existing 34 Multi-State urban co-operative banks. RBI has since moved an application before the Hon'ble Court seeking further directions in the matter and the same is yet to come up for hearing.

[Translation]

### Allotment of Foodgrains

2627. DR. M.P. JAISWAL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has received any request from some State governments particularly the Government of Bihar for allotment of more sugar, rice and wheat;

(b) if so, the details thereof; and

(c) the action taken so far by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) to (c) Government receives requests from various State Governments/Union Territories from time to time for allotment of more sugar, rice and wheat for the reasons mentioned in these requests and a decision is taken in each case on merit and in the light of the norms and policies of the Government.

A request for allotment of 25000 tonnes of rice for flood victims, free of cost, was received from the Government of Bihar in August 2003. The same was processed in consultation with the concerned Ministry and a decision taken.

### NABARD Loan to Customers

2628. SHRI HARIBHAU SHANKAR MAHALE: Will the Minister of FINANCE be pleased to state:

(a) whether National Agriculture and Rural Development Bank (NABARD) is formulating any scheme to provide direct loan to customers;

(b) if so, the details thereof;

(c) the names of sectors to which this loan will be made available; and

(d) the time by which this scheme is likely to be implemented alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) National Bank for Agriculture & Rural Development (NABARD) has reported that it has formulated a scheme to provide assistance to customers under co-financing arrangements with commercial banks. Under the scheme, direct loans would be sanctioned to individuals/body corporate/other clients through co-financing arrangements for promotion of high-tech, export oriented agricultural projects involving new technology and large financial outlay. These loans would be available for the development of horticulture, animal husbandry and dairy, plantations, pisciculture, food processing, bio-energy, floriculture sectors, etc.

(d) The scheme has been already launched and four proposals in the sectors of plantation, floriculture and integrated organic farming have been sanctioned so far by NABARD.

[English]

#### Acts in Statute Book

2629. SHRI T.T.V. DHINAKARAN: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government is aware of the fact that there are several Acts on the statute book that have become irrelevant;

(b) if so, whether the Government has identified such Acts; and

(c) if so, the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) Sir, to examine the shortcomings in the laws and to remedy the situation, the Central Government had constituted a Commission on Review of Administrative Laws. The said Commission had recommended repeal of 1382 Central Laws of different categories, which have been either identified as obsolete or dysfunctional or needing modification. The number of Laws recommended for repeal or otherwise are as follows:

1. 166 Central Acts (including 11 Pre-Nationalisation Acts and 20 Validation Acts).

2. 315 Amendment Acts.

3. 11 British Statutes still in force.

4. 17 War-time Permanent Ordinances.

5. 114 Central Acts relating to State subjects for repeal by State Governments.

6. 700 Appropriation Acts passed by Parliament.

7. 35 Reorganisation Acts.

8. 12 Laws applicable to High Courts.

9. 12 Personal Laws.

Out of the 1382 Acts recommended for repeal, the concerned Ministries/Departments have repealed 399 Acts and 819 Acts have been decided to be retained by concerned Ministries/Departments. In respect of 115 Acts, State Governments have to take action, since those Acts belong to the State List (List II) of the Seventh Schedule of the Constitution. 4 Acts have been repealed in the list of 166 Central Acts. Remaining 45 Acts needs to be repealed, which are at various stages of repealing process.

[Translation]

#### Goods Seized by Customs

2630. SHRI DALPAT SINGH PARSTE: Will the Minister of FINANCE be pleased to state:

(a) the details of the smuggled goods like Narcotics, goods of archaeological importance, electronic goods and goods, wild life products, foreign country (alongwith the names of the countries), medicinal powder, gold biscuits etc. confiscated by the customs department at the Indira Gandhi International Airport during 2003, so far;

(b) the details of the procedure adopted to sell such confiscated goods; and

(c) the details of the facilities provided to the VIPs/MPs to purchase such goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) The value of smuggled goods seized by the Custom authorities at the Indira Gandhi International Airport during 2003 upto 30.11.2003 is Rs. 7.75 crore.

(b) and (c) Seized/Confiscated consumer goods are sold to the public, including VIPs/MPs, at Customs Retail Shops and also through agencies like Defence Canteens & National Consumers Cooperative Federation. Trade

goods and precious stones are sold through public auction and gold is sold through State Bank of India.

However, only sitting MPs are allowed to purchase arms/ammunition from the Customs confiscated stock, on as is where is basis and at prevalent market price.

[English]

#### **Powerloom Service Centres**

2631. SHRI A. NARENDRA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government proposed to set up more powerloom service centres in the country during the current Five Year Plan;

(b) if so, the details thereof alongwith the names of places selected for this purpose;

(c) the criteria followed in selecting the places;

(d) whether priority has been given to such places where workers have been rendered unemployed due to closure of the sick textile mills; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (e) There is no proposal to set up more powerloom service centres in the country during the current Five Year Plan.

#### **Export of Tea to US**

2632. SHRI M.K. SUBBA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Tea Board's office in New York, has reported a high potential for Indian tea consumption in the United States in the form of iced tea;

(b) if so, the Indian tea exports to the US during 2001, 2002 and 2003 so far;

(c) the foreign exchange earned thereby; and

(d) the steps taken and being taken to further popularise Indian tea in the US?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR

RAO): (a) USA is basically an iced tea market where 80% of the tea consumed is in iced tea form. Information received periodically from the Tea Board's New York office as well as from other sources, indicate the high potential for consumption of Indian tea in USA. Exports of tea from India to USA, including instant tea, are also showing an increasing trend.

(b) and (c) Details of Indian tea exports to US and the foreign exchange earned are given below:

year	Quantity (Million Kgs.)	Value (Rs. Crores)	Value (Million US\$)
2001	6.18	92.83	19.67
2002	7.36	103.09	21.41
2003 (Jan-Oct)	6.41	88.51	19.36
2002 (Jan-Oct)	5.91	85.40	17.62

(d) In order to popularise Indian teas in the US, Tea Board has been undertaking various promotional activities which include, interacting with the major tea buyers in USA, coordinating with up-market tea retailers, participating in important exhibitions & trade fairs, organizing Indian tea tasting sessions and buyer seller meets for further trade facilitation etc. Tea Board is also a member of the US Tea Council, a promotional body, whose task is to increase the consumption of tea as a beverage *vis-a-vis* other beverages, through advertising campaigns and educational programmes.

#### **External Loan for the Welfare Schemes**

2633. SHRI K. YERRANNAIDU: Will the Minister of FINANCE be pleased to state:

(a) whether the foreign loans received for welfare schemes in the country are not utilized properly;

(b) if so, the details thereof;

(c) the number of complaints received in this regard during the last two years; and

(d) the number of States which have not spent the funds received from the Union Government for the schemes during the said period alongwith the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) The Ministry of Finance has not received any complaint regarding loans received for welfare schemes not being utilized properly.

(d) The external assistance is largely project tied and therefore, utilisation of the sanctioned aid for any project is spread over the project implementation period. As a result, there would always to some unutilised amount at any point of times reflecting the assistance in pipeline, which will be used as project implementation progress.

**Collection of Income Tax from  
North-Eastern States**

2634. SHRI ANANTA NAYAK: Will the Minister of FINANCE be pleased to state:

(a) the names and the number of the commissionerate of Income Tax in the North Eastern States;

(b) whether it is a fact that a large number of individuals and corporate offices in these States are not paying income tax regularly;

(c) if so, the list of cases of arrears of more than 50 lakhs in these States;

(d) the details of the arrears outstanding against them and since when; and

(e) the efforts made to collect the Income-tax from them?

THE MINISTER OF STATE IN THE MINISTRY OF  
FINANCE (SHRI SHRIPAD YESSO NAIK): (a)

1. Commissioner of Income-Tax, Shillong.
2. Commissioner of Income-Tax, Dibrugarh.
3. Commissioner of Income-Tax, Guwahati-I, Guwahati.
4. Commissioner of Income-Tax, Guwahati-II, Guwahati.
5. Commissioner of Income-Tax, Jorhat.

(b) No. The Companies and Individuals who are subjected to Income-tax, are paying Tax regularly. However, Tax in arrears is due from some Assesses but the number is not large compared to total number of Assesses.

(c) and (d) List of Cases having aggregate Arrears exceeding Rs. 50 lakhs each is enclosed as statement.

- (e) 1. Close monitoring at appropriate levels.
2. Efforts directed at getting (a) Court Injunction vacated, (b) Appeals disposed expeditiously, (c) Collection through Attachment of assets.
  3. Tracing out defaulting and absconding Assesses as well as locating alienated Assets.

**Statement**

*Top Arrear Demand Cases of CCIT, Guwahati Region*

Sl. No.	Name of the assessee	Asmt. Year/Gross Demand (Rs. in lakhs)	4	Raising Year
1	2	3	4	5
1.	M/s Bongaigaon Refinery & Petrochemicals Ltd.	A.Y. 1998-99	: 2197.95	2000-01
		A.Y. 2000-01	: 1443.02	2002-03
		Total	: 3640.97	
2.	Sri Rajendra Prasad Borah	A.Y. 1988-89 to 1997-98	: 2019.79	1999-00 to 2002-03
3.	Arunachal Pradesh Forest Corporation Ltd.	A.Y. 1988-89 to 1996-97	: 1354.08	2001-02 & 2000-01
	Meghalaya Plywood Limited	A.Y. 1980-81 to 1996-97 : 1151.05	1991-92 & 2000-01	

1	2	3	4	5
4.	M/s G.N.B. Enterprises & Co.	A.Y. 1992-93	: 164.94	1999-00 &
		A.Y. 1993-94	: 384.27	2001-02
		A.Y. 1994-95	: 51.09	
		A.Y. 1995-96	: 3.51	
		<b>Total</b>	<b>: 602.81</b>	
5.	Shri Pallav Bordoloi	A.Y. 1992-93	: 385.48	1999-00 &
		A.Y. 1993-94	: 200.72	2001-02
		A.Y. 1994-95	: 10.52	
		A.Y. 1995-96	: 1.14	
		<b>Total</b>	<b>: 597.86</b>	
6.	North Eastern Electric Power Copn.		: 471.50	2002-03
7.	Lal Than Zua	A.Y. 1997-98	: 359.96	2002-03
		A.Y. 1998-99	: 59.76	
		<b>Total</b>	<b>: 419.72</b>	
8.	Smt. Indira Borah	A.Y. 1988-89, 1989-90, 1991-92 to 1994-95 & 1998-99	: 343.78	2001-02 & 2002-03
9.	Assam Company Limited	A.Y. 2000-01	: 83.12	2002-03
		A.Y. 1996-97	: 108.20	
		A.Y. 1991-92	: 39.61	
		<b>Total</b>	<b>: 230.93</b>	
10.	M/s. B.R. Trading & Chemicals	A.Y. 1993-94	: 261.04	2001-02
		A.Y. 1994-95	: 60.78	
		<b>Total</b>	<b>: 321.82</b>	
11.	M/s. Raja Rama Brothers (P) Ltd.	A.Y. 1992-93	: 4.26	1999-00 &
		A.Y. 1993-94	: 20.56	2001-02
		A.Y. 1994-95	: 185.40	
		A.Y. 1997-98	: 4.24	
		<b>Total:</b>	<b>: 214.46</b>	



1	2	3	4	5
12.	M/s. Nephram Chemicals Laboratories Pvt. Ltd.	A.Y. 1991-92 A.Y. 1992-93 A.Y. 1993-94 A.Y. 1994-95 <hr/> Total	: 4.98 : 71.07 : 42.38 : 79.71 <hr/> : 198.14	2001-02
13.	Eastern Mining & Allied Industries Limited	A.Y. 1993-94 to 1995-96	: 190.92	2001-02
14.	M/s. Prag Bosimi Synthetics Ltd.	A.Y. 1992-93	: 185.37	2002-03
15.	M/s. Rajashree Publication (P) Ltd.	A.Y. 1992-93 A.Y. 1993-94 A.Y. 1997-98 <hr/> Total	: 66.89 : 70.49 : 43.03 <hr/> : 184.41	1999-00 & 2001-02
16.	Shri U.N. Gogoi	A.Y. 1992-93 A.Y. 1993-94 A.Y. 1994-95 A.Y. 1995-96 A.Y. 1996-97 A.Y. 1997-98 A.Y. 1998-99 A.Y. 1999-00 <hr/> Total	: 160.44 : 0.06 : 1.01 : 0.58 : 0.63 : 0.70 : 0.60 : 0.35 <hr/> : 164.37	1999-00 & 2002-03
17.	Tulshi Gogoi	A.Y. 1988-89	: 154.86	1999-2000
18.	Mehtab Hussain	A.Y. 1988-89 to 1992-93	: 145.26	2000-01
19.	Asish Kumar Dey	Block Assessment	: 121.42	2002-03
20.	Sri Tara Prasad Das	Block period 1990-91 to 1999-00	: 112.84	2002-03
21.	Smt. Anjuma Sheikh	Block period 01.4.1990 to 20.7.2000	: 109.15	2002-03

1	2	3	4	5
22.	Tileswar Baruah	A.Y. 1988-89 to 1990-91	: 101.86	2000-01
23.	Sri Jiauddin Ahmed	A.Y.	: 92.82	
24.	Sarat Bharali	A.Y. 1993-94	: 92.82	
25.	Sri Arman Sheikh	Block period 1990-91 to 1999-00	: 85.69	2002-03
26.	M/s. Ganga Bani Mercantile & Finance Pvt. Ltd.	Block period from 1988-89 to 1998-99	: 84.10	2001-02
27.	Sri J. Sarma Pathak	A.Y.	: 81.92	
28.	Kitply Industries	A.Y. 1997-98 to 1999-00	: 77.43	2001-02
29.	Sunil Chandra Dey	Block Asstt.	: 77.01	2002-03
30.	Alexander Aviet Thorose	Block Asstt.	: 73.01	
31.	Sri Probal Sheikh	Block period A.Y. 1990-91 to 1999-00	: 70.97	2002-03
32.	Shri Joy Gopal Saha	A.Y. 1990-91 to 1996-97	: 68.62	2000-01 & 2001-02
33.	Bogidhola Tea Company Pvt. Ltd.	A.Y. 1984-85 1985-86 & 1991-92	: 67.19	
34.	Assam Carbon Products Ltd.	A.Y. 2000-01	: 66.13	2002-03
35.	M/s. Assam Government Marketing Corporation Ltd.	A.Y. 1985-86 A.Y. 1989-90 A.Y. 1992-93 A.Y. 1993-94 A.Y. 1996-97	: 1.18 : 0.40 : 30.23 : 19.11 : 15.16	1988-89 1991-92 1997-98 1999-00 2002-03
		<b>Total</b>	<b>: 66.08</b>	
36.	Sri Parimal Kanti Chanda	A.Y.	: 63.34	
37.	Jyoti Enterprise	A.Y. 1992-93 & A.Y. 1994-95	: 61.34	2002-03
38.	Sri Biren Borah	A.Y. 1991-92 to 1993-94	: 59.68	2002-03
39.	Jugal Chandra Saikia	A.Y.	: 59.60	

1	2	3	4	5
40.	Assam Solvex (P) Ltd.	A.Y. 2000-01	: 55.00	
41.	Mrs. Merry Laskar	A.Y. 1999-00 to 2001-02	: 52.95	2002-03
42.	Dee Jay Enterprise	A.Y. 1995-96	: 51.56	2001-02
43.	Jugal Saikia	A.Y. 1992-93	: 51.52	2002-03

**Judicial Reforms****IT Return by NGOs**

2635. SHRIMATI REENA CHOUDHARY:  
SHRI RAVI PRAKASH VERMA:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government is considering to appoint a special commission/committee to suggest reforms in judiciary/judicial process to root out corruption in the system and enable expeditious disposal of both criminal and civil matter; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) and (b) Yes, Sir. The Constitution (Ninety-Eighth Amendment) Bill, 2003 has been introduced in the Parliament on May 9, 2003 for the setting up of National Judicial Commission. The proposed Commission shall:

- (i) make recommendations of persons for appointment of Judges of the Supreme Court and Chief Justices and Judges of the High Courts;
- (ii) make recommendations for the transfer of Chief Justices of High Courts and the Judges of the High Courts from one High Court to any other High Court;
- (iii) draw up a Code of Ethics for Judges of the Supreme Court, Chief Justices of High Courts and the Judges of the High Courts;
- (iv) inquire into, *suo-moto* or on a complaint or reference, cases of misconduct or such deviant behaviour of a Judge other than those calling for his removal and advise the Chief Justice of India or the Chief Justice of a High Court appropriately after such inquiry.

2636. SHRI SHEESH RAM SINGH RAVI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that 44,642 NGOs and Trusts are registered in Uttaranchal but only 694 had filed their income tax returns; and

(b) if so, the action taken by the Government to trace out the remaining NGOs and to make them file IT returns?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes, there are 44,642 NGOs, trusts, etc. registered with the Government of Uttaranchal. On the basis of information collected from the Registrar of Society, Uttaranchal only 2852 are NGOs, Trusts out of which 935 are filing their returns of Income.

(b) Notices/letters have been issued to those NGOs/Trusts who have not filed their returns of Income.

**Research and Training Activities**

2637. SHRI PARSURAM MAJHI: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) the details of research and training activities undertaken by Ministry for the Welfare of Scheduled Tribes during the last three years;

(b) the States where such research work has been undertaken; and

(c) the number of people/scholars assigned the research work in those States so far, State-wise?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) to (c) The research and training activities undertaken by the Ministry are implemented under the

Centrally Sponsored Scheme "Research and Training". The Ministry releases the funds on 50:50 matching share basis to the State Government in favour of Tribal Research Institutes (TRIs). These TRIs conduct research/evaluation studies, training seminars/workshops, codification of customary laws and have set up tribal museums for exhibiting tribal artifacts. These Institutes are also engaged in the work of providing planning inputs to the State Governments for welfare of the scheduled tribes.

100% grant is released to the State Government for disbursement of research fellowship to the research scholars doing Doctoral and Post Doctoral courses on tribal development studies under the scheme "Award of Research Fellowship in various aspects of Tribal Development". A statement-I showing States having TRIs and scholars assigned research work for award of

research fellowship for Doctoral and Post Doctoral courses is enclosed.

The Ministry provides 100% financial assistance under the scheme "Supporting Projects of All India or Inter-State Nature" to the Non-Government Research organizations, Universities and institutions for undertaking research/evaluation studies, conducting seminars/workshops.

Financial assistance upto Rs. 30,000/- is provided to the authors for publication of books for recent works related to tribal development. A statement-II showing state-wise number and location of Non-Governmental Organizations/Universities/Institutions assisted for conducting research/evaluation studies, organizing seminars/workshops and financial assistance provided for publication of books related to tribal development is enclosed.

**Statement I**

S.No.	Name of States having Tribal Research Institutes (TRIs)	Number of scholars assigned research work for award of research fellowship for doctoral and post-doctoral courses		
		2000-01	2001-02	2002-03
1	2	3	4	5
1.	Andhra Pradesh	1	5	1
2.	Assam	1	1	—
3.	Jharkhand	—	4	—
4.	Gujarat	1	—	—
5.	Kerala	1	—	—
6.	Madhya Pradesh	6	1	—
7.	Maharashtra	1	—	—
8.	Manipur	—	1	—
9.	Orissa	9	11	7
10.	Rajasthan	4	3	1
11.	Tamil Nadu	—	—	4
12.	Tripura	—	1	—
13.	Uttar Pradesh	—	1	—
14.	West Bengal	3	3	—
15.	Himachal Pradesh*	1	2	—
16.	Arunachal Pradesh*	—	1	1

1	2	3	4	5
17.	Karnataka*	—	1	—
18.	Jammu & Kashmir*	—	—	1
19.	Andaman & Nicobar Islands**	—	—	—
Total		28	35	15

\*There is no Tribal Research Institute (T.R.I.).

\*\*TRI, Port Blair established in 2002-03 under 100% Central Share.

**Statement II**

S.No.	Name of State	2000-2001						2001-2002					
		Research/Evaluation Study		Seminar/Workshop		Publication of books related to tribal development		Research/Evaluation Study		Seminar/Workshop		Publication of books related to tribal development	
		No. of Organization	No. of Studies	No. of Organization	No. of seminars	No. of Author	No. of books	No. of Organization	No. of Studies	No. of Organization	No. of seminars	No. of Author	No. of books
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Andhra Pradesh	—	—	—	—	—	—	1	2	1	1	—	—
2.	Assam	—	—	—	—	—	—	1	1	—	—	—	—
3.	Arunachal Pradesh	—	—	1	1	—	—	—	—	1	1	—	—
4.	Bihar	—	—	1	1	—	—	1	2	1	—	—	—
5.	Jharkhand	1	1	1	1	—	—	3	8	—	1	—	—
6.	Gujarat	—	—	—	—	—	—	—	1	—	—	—	—
7.	Himachal Pradesh	—	—	—	1	—	—	—	—	—	—	—	—
8.	Jammu & Kashmir	—	—	—	—	—	—	—	—	—	—	—	—
9.	Karnataka	—	—	—	—	—	—	—	—	—	—	—	—
10.	Kerala	—	—	—	—	—	—	—	—	—	—	—	—
11.	Madhya Pradesh	—	—	—	—	—	—	1	6	—	—	—	—
12.	Chhattisgarh	—	—	—	—	—	—	—	5	—	—	—	—
13.	Maharashtra	1	1	—	—	—	—	—	—	—	—	—	—
14.	Manipur	—	—	—	—	—	—	—	—	—	—	—	—
15.	Meghalaya	—	—	—	—	—	—	—	—	—	—	—	—
16.	Nagaland	—	—	—	—	—	—	—	—	—	—	—	—
17.	Orissa	—	—	8	8	—	—	5	14	5	5	1	1
18.	Rajasthan	—	—	—	—	—	—	2	—	—	—	—	1



1	2	15	16	17	18	19	20	21	22	23	24	25	26
17.	Orissa	11	18	8	11	1	—	1	1	9	9	—	—
18.	Rajasthan	1	4	—	1	—	—	—	—	—	—	1	1
19.	Sikkim	—	1	—	—	—	—	—	—	—	—	—	—
20.	Tamil Nadu	2	3	—	—	—	—	—	—	—	—	—	—
21.	Tripura	1	1	—	—	—	—	—	—	—	—	—	—
22.	Uttar Pradesh	3	1	3	3	—	—	—	—	—	—	—	—
23.	Uttaranchal	2	3	1	2	—	—	—	—	—	1	—	1* <sup>@</sup>
24.	West Bengal	4	7	3	3	—	—	—	—	—	—	—	—
25.	Delhi	21	1	13	5	—	—	—	—	4	3	1	—
Total		63	93	45	46	1	—	1	1	24	25	2	2

Note: (i) Organization's location is shown against State.

(ii) Certain organizations are conducting study/seminar and workshop for more than one State/other than their locational base.

(iii) \*Book relates to more than one state.

(iv) @Authors of the books are Delhi based.

#### **Amendment In Post Office Saving Rules**

2638. SHRIMATI SUSHILA SAROJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rebate is available under section 80DD of the Income Tax Act for the Dependent Family member of the Government Servant;

(b) if so, whether the Government propose to amend the Post Office (Savings) Rules so as to include the provisions to enable parents/guardian to open PPF accounts in the names of their mentally retarded dependent so as to avail the rebate;

(c) if so, the details thereof; and

(d) if not, the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes Sir. The Income-tax Act provides for a deduction of Rs. 50,000 for any expenditure incurred by an individual or Hindu Undivided Family, for the medical treatment (including nursing), training and rehabilitation of a dependent being a person with disability or for any amount paid or deposited under an approved insurance scheme for the benefit of such dependent. In case of a person with

severe disability, a deduction of Rs. 75,000 has been allowed.

(b) to (d) The Public Provident Fund (PPF) scheme provides that any individual may, on his own behalf or on behalf of a minor of whom he is the guardian, subscribe to the Public Provident Fund (PPF). The provisions do not debar subscription on behalf of a mentally retarded minor. There is no proposal to change the eligibility to subscribe to the scheme.

#### **Ban on NG Based Explosives**

2639. DR. M.V.V.S. MURTHI:  
SHRI RAMESH CHENNITHALA:  
SHRI RAM MOHAN GADDE:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware that NG based explosives are the main source of preparing land mines by extremists and naxalite groups;

(b) if so, whether the most affected State Governments particularly of Andhra Pradesh have requested the Union Government for banning the NG based explosives and introduction of delay Electric

Detonators and slurry type explosives to prevent the dangers of land mines;

(c) if so, whether the Union Government has taken any decision in this regard;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) Yes, Sir. NG based explosives are reportedly the preferred choice of extremists and anti-social groups for preparing land mines. The Andhra Pradesh Government has requested the Union Government for banning NG based explosives and introduction of delay Electric Detonators and slurry type explosives to prevent the danger of land mines.

(c) to (e) Government had set up a Committee to look into the issue of phasing out of NG based explosives. The Committee has recommended phasing out NG based explosives in a gradual manner in three phases starting from April, 2002—April, 2006. The recommendations of the Committee have been accepted and are being implemented by the Government. In pursuance of the implementation of the recommendations of the Committee, the Government has advised all the state governments and user ministries to issue necessary instructions to reduce the consumption of NG based explosives to 50% of their existing consumption by 2004. The Government has also issued a notification under section 6.1(a) of the Explosives Act, prohibiting the issue of fresh licences for possession and use of NG based explosives by Department of Explosives and District authorities.

The issue of introduction of delayed action detonators was examined in consultation with expert agencies like High Energy Material Research Laboratory (HEMRL) and Director General of Mines Safety. In view of the consumers' requirement and manufacturing difficulties, a further time delay in detonators has not been found feasible.

#### **Shifting of Delhi Income Tax Office**

2640. DR. RAMESH CHAND TOMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has spent huge amount for the purchase of Vaishali Aaykar Bhawan in Ghaziabad District of U.P. during 1996;

(b) if so, the details thereof;

(c) whether the Government has also spent several crores of rupees on the renovation of the building and also fixed latest gadgets etc.; and

(d) if so, the reasons for delay in shifting the Delhi Income Tax Office there so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) Vaishali Aayakar Bhavan in Ghaziabad District of U.P. was purchased for Rs. 20.00 Crore. Rs. 17.52 Crore was paid in 1997 and the remaining amount of Rs. 2.48 Crore was paid in 2003.

(c) Yes, Sir. An amount of Rs. 16.80 Crore has been paid to CPWD for civil & electrical works etc. between April, 1999 to February, 2003.

(d) Computerization of Income-tax Department is at an advanced stage. As per existing instructions, all returns of income are required to be processed on computers with AST software. For getting the connectivity, to make the software operational, an amount of Rs. 7.85 lacs was deposited with BSNL on 20.10.2002. In spite of follow up by the department with BSNL, the Vaishali building could be connected with the regional computer center through a lease line only on 21.11.2003. Now, the work for site preparation and installation of computer system in Terminal Bank is under progress.

#### **Releasing of Central Share for ST Schemes**

2641. SHRI G. PUTTA SWAMY GOWDA: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) the details of states who have been requesting the Central Government to release Central Share equity for the years 2002-2003 and 2003-2004 for implementing the Scheduled Tribe Schemes;

(b) the reasons for not releasing the Central Share in time; and

(c) the steps taken by the Central Government to release the Central Share?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) to (c) The Ministry of Tribal Affairs does not release Central Share equity to the State Governments/UTs for implementing Scheduled Tribe schemes. However, the Ministry of Tribal Affairs releases funds to State ST



Finance and Development Corporations towards their equity capital up to a maximum amount of 49% of the paid-up share capital of such Corporations.

Further, Ministry of Tribal Affairs also releases funds to State Governments/UTs under various Central and Centrally Sponsored Schemes of the Ministry for welfare of the Scheduled Tribes.

#### **Legal Services Authorities (Amendments) Act, 2002**

2642. SHRI PRAKASH V. PATIL: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Bar Council of India has presented Memoranda in respect of Legal Services Authorities (Amendments) Act, 2002;

(b) if so, whether the Government has considered the proposed changes;

(c) if so, to what extent;

(d) whether the opinions and views of eminent persons among general public have been taken; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) and (c) Proposed changes have been considered but not accepted.

(d) No, Sir.

(e) Does not arise.

#### **Imposition of Consignment Tax**

2643. SHRI AMBAREESHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has empowered the State Governments to levy consignment Tax;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) No, Sir.

(b) In view of above, question does not arise.

(c) Due to difference of opinion among the States, the Union Government has not taken any decision regarding levying of consignment tax.

#### **TDS Refund System**

2644. PROF. UMMAREDDY VENKATESWARLU: SHRI RAMSHAKAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has evolved any system to ensure that refunds from TDS and other advance income tax payments are refunded without delay and without financial harassment;

(b) if so, the details of new system;

(c) whether it is a fact that refund cheques are being encashed by some officials themselves; and

(d) if so, the details of such cases with the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir.

(b) In order to give better service to Tax payers the Government has decided to simplify the procedure for issue of refunds by discontinuing the system of sending Advice Note to the Bank separately in cases of refund up to Rs. 9999/-. The new system also stipulates preparation of Refunds on continuous computer Stationery so that Refunds are issued expeditiously and tax payer's grievances are minimized.

(c) No such incident has come to the notice of the Government.

(d) Does not arise in view of reply to para (c) above.

#### **Decrease in Import Duties**

2645. SHRIMATI RENUKA CHOWDHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has been decreasing import duties in respect of a number of items and allowing access to Indian markets at the cost of local small and medium companies;

(b) if so, the reasons therefor; and

(c) the steps the Government is going to take to protect local industry?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) The Government has been reducing import duties in respect of a number of items. The rate rationalization and reduction of peak rates of customs duties has been an integral part of economic reform in the country and is geared towards making the Indian industry globally competitive. The reduction in customs duty also leads to the reduction of customs duty on inputs for the industry thus reducing costs for the industry including the small and medium sector.

As regards protection of domestic industry, the mechanisms of anti-dumping duty, and safeguard duty are available under the Customs Tariff Act which are used to take care of situations where imports are dumped below normal value or where there is a surge in imports, causing injury to the domestic industry.

#### **World Bank Report**

2646. SHRI GUTHA SUKENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether a World Bank report released in September 2003 has stated that in India the poor lack access to services like health, education, water, sanitation and electricity; and

(b) if so, whether the Government has taken note of these comments and initiated steps to present true picture to the World Bank in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Government of India does not share this perception of the Bank. Government of India consistently draws upon its past experience in order to improve service delivery of its Plan schemes so as to achieve maximum impact on the poor.

#### **MRTTP Act, 1969**

2647. COL. (RETD.) SONA RAM CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received any proposal from the State Government of Rajasthan requesting for certain amendments to MRTTP Act, 1969;

(b) if so, the details thereof; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) No, Sir.

(b) and (c) Do not arise.

#### **Premises Occupied by LIC**

2648. SHRI AJIT KUMAR PANJA:  
SHRI AJAY CHAKRABORTY:

Will the Minister of FINANCE be pleased to state:

(a) the manner in which LIC of India had acquired the existing premises, major city-wise;

(b) whether such premises have been vested on LIC under the LIC Act, 1956;

(c) if so, whether LIC got the vacant possession of the premises, which are deemed to be Public Premises under LIC Act, 1956;

(d) if not, whether there were pre-existing tenants on such premises which are deemed to be Public Premises under LIC Act, 1956;

(e) if so, how many tenanted premises along with the number of tenants are with LIC in the city of Kolkata;

(f) whether LIC has instituted any legal proceedings against such tenants along with the number of cases which are pending against such tenants; and

(g) the details of Acts under which such legal steps have been taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Life Insurance Corporation of India (LIC) has informed that in terms of Section 7 of the LIC Act 1956,

assets and liabilities of the erstwhile insurers were vested in the Corporation w.e.f 01.09.1956. The assets included, *inter alia*, the properties of the erstwhile insurers and the liabilities included debts, obligations, etc. The LIC, in the circumstances inherited 257 properties with book value of Rs. 18.76 crore. The liability in respect of Estimated Liability for Outstanding Claims was Rs. 9.41 crore. Thereafter, the LIC has been in the process of acquiring properties—either by way of purchase of ready built of construction on land—as part of its regular activities.

(c) and (d) The properties were inherited on “as is where is” conditions as on 1.9.1956 and it is not possible to state whether they were vacant—(partially or wholly), or not, as no such record is being maintained by the LIC. The inherited premises are deemed to be Public Premises under LIC Act, 1956.

(e) In Kolkata, LIC is having 47 inherited buildings with 644 tenants.

(f) and (g) Legal steps are being taken under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 and as on 30.9.2003 a total of 92 cases are pending before the Estate Officer/various courts in the Eastern Zone including the city of Kolkata.

#### **Access of Agricultural Commodities in EU Market**

2649. SHRI PRIYA RANJAN DASMUNSI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware that a strong lobby of European Union in the grab of Euro Norm's application of standards in India are attempting to minimise the access of our agricultural commodities and other value added products in European Markets on the alibi of pesticide percentage etc.;

(b) whether such track on Euro shall endanger our future exports of sugar, wheat, marine products, tea and other commodities;

(c) whether India accepts WHO codes standard and would never succumb to such pressures of European Union or any group of European lobby for Euro Norms etc.; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY

OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) The Sanitary and Phytosanitary (SPS) standards of European Union (EU) including the limits of pesticide residue apply to all countries including India. India, like other exporting countries will be required to meet the EU prescribed standards for their exports to EU.

(c) and (d) India as a member of World Health Organisation (WHO) and Codex Alimentarius Commission accepts internationally recognised standards. Issues of higher SPS standards are regularly monitored and taken up with the European Union and EU member countries in order to ensure that such standards do not become market access barriers for India's exports to EU countries.

#### **Promotion Policy**

2650. SHRI PRAVIN RASHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry is aware of constitutional amendment of article 16(4A) and subsequent DOP OM No. 20011/1/2001-Estt. (D) dated January 21, 2002;

(b) if so, whether the Ministry has implemented the said circular with retrospective effect with effect from January 30, 1997;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The information is being collected and will be laid on the Table of the House.

#### **Legislation on Lender's Liability**

2651. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to enact legislation on lender's liability;

(b) if so, the details thereof indicating the present fair practices code for lender's liability;

(c) whether a case on the validity on the Securitisation Act, 2002 is pending before the Supreme Court; and

(d) if so, the present status of the case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) At present this is not under consideration.

(b) RBI has issued guidelines on fair practices codes for lenders to all schedule commercial banks/All India financial institutions which *inter-alia* include the following:

- Banks and Financial Institutions should acknowledge receipt of all loan applications. The acknowledgement slip should indicate the time frame within which loan applications up to Rs. Two lakh would be disposed off.
- Banks/Financial Institutions should verify the loan applications within a reasonable period of time if additional details/documents are required, they should immediately intimate the borrowers.
- If loan applications of small borrowers seeking loans up to Rs. Two lakh have been rejected by banks/FIs, they should convey in writing to the applicant the main reason/reasons which led to reaction of the application within the stipulated time.
- Banks/FIs should ensure that credit applications are properly assessed by borrowers. They should not use margin and security stipulation as a substitute for due diligence on creditworthiness of the borrower.
- Banks/FIs should convey to the borrower the credit limit along with the terms and keep on record the borrower's acceptance of these terms and conditions.
- Post disbursement supervision by banks/FIs, particularly in respect of loans upto Rs. two lakh, should be constructive with a view to taking care of any lender-related genuine difficulty that the borrower may face.
- Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities, lenders should give notice to borrowers, as specified in the loan agreement or a reasonable period, if no such condition exist in the loan agreement.
- Banks/FIs should release all securities on receiving payment of loan or realization of loan subject to any legitimate right or lien for any

other claim they may have against the borrower. Borrowers should be given notice if any right of set off is to be exercised, with full particulars about the remaining claims and the documents under which lenders are entitled to retain the securities till the claim is settled/paid.

(c) Yes, Sir.

(d) The case is being heard by a constitutional bench in the Supreme Court.

#### **Funds Collected by Morepen Laboratories Limited**

2652. DR. BALIRAM: Will the Minister of FINANCE be pleased to refer to Unstarred question number 3867 dated August 22, 2003 regarding funds collected by Morepen Laboratories Limited and state:

(a) whether the information has been collected;

(b) if so, the details thereof;

(c) if not, the reasons for delay; and

(d) the time by which the information is likely to be collected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) No, Sir. The information is awaited from the concerned agencies and will be placed on the Table of the House on its receipt.

#### **Loans to Agriculture Sector**

2653. SHRI G.S. BASAVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has taken any decision on the issue of extending loans to the farm sector for buying tractors, power tillers and other farm implements on the same terms and conditions so as for motor vehicles in urban areas; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) State Bank of India (SBI) has entered into a tie-up with M/s. Tractors and Farm Equipments Manufacturers Ltd., M/s. Mahindra & Mahindra Ltd., M/s. Escorts Ltd. and some others, to obtain maximum possible discount

in tractors and other agricultural equipments with a view to pass on the benefit to farmers taking loans for purchase of tractors, etc. Subsequently, Indian Banks Association (IBA) advised its member banks to make such tie-up with farm equipment manufacturers so that the farmers would be able to purchase the same at discounted price against loans sanctioned by banks.

**Promotion of Assistant in LIC**

2654. SHRI HARPAL SINGH SATHI:  
SHRI SADASHIVRAO DADOBA MANDLIK:

Will the Minister of FINANCE be pleased to state:

(a) whether some cases of favouritism and nepotism in promotions of 'Assistant' to 'Higher Grade Assistant' in Life Insurance Corporation have come to the notice of the Government during the last one year;

(b) whether promotion of 'Assistant' to 'Higher Grade Assistant' in LIC is done on the basis of written test followed by interview;

(c) whether the Government/LIC has received requests for doing away with interview and make provisions for promotion of 'Assistant' to 'Higher Grade Assistant' on the basis of performance in written test and giving due weightage to their qualifications and also grading obtained in Annual Confidential Reports; and

(d) the reaction of the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Life Insurance Corporation of India (LIC) has informed that a few representations from employees against non-promotion have been received by them.

(b) Assistants with five years of service have to pass a departmental test or acquire the prescribed technical qualification. The final selection includes interview also.

(c) LIC have received suggestions for doing away with interviews. The proposal has been examined by LIC but it has not been found desirable to change the present system.

(d) The promotion rules of LIC are based on universally accepted principles where due weightage is given to various factors like qualification, seniority, work record and personality tests.

**Special Industrial Policy for North Eastern Region**

2655. SHRI P.R. KYNDIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether North Eastern Region and Sikkim has been put at a disadvantage by extension of special industrial package by the Government in some other States in Northern India that will seriously jeopardize and Special Industry Policy for the North Eastern Region; and

(b) if so, the steps the Government is taking to lure in to the North Eastern Region for industrial and economic development of North Eastern States and Sikkim?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) The incentive Packages notified for the North-Eastern States, Sikkim and Jammu & Kashmir include exemption from the income tax, excise duty and provide capital investment subsidy, interest subsidy and payment of 100% insurance on the capital invested.

However, the concessional package for promotion of industries notified for the States of Himachal Pradesh and Uttaranchal, extends concessions/incentives in terms of exemption from income-tax, outright excise duty exemption and capital investment subsidy only. Therefore, the contents of package for the States of Himachal Pradesh and Uttaranchal are substantially lower in scale compared to the concessions extended in the North-Eastern region and State of Jammu & Kashmir.

The Government has commissioned a study to assess the impact of the industrial policy notification in the North-eastern States.

(b) The Government have recently sanctioned the Growth Centre at a cost of Rs. 25 crore at Guwahati/Chaygaon-Patgaon with a view to provide requisite infrastructure to support the industries. Similarly, the Government has also sanctioned Growth Centre for the State of Sikkim at an estimated cost of Rs. 15 crore to provide infrastructure support. The Central Government will contribute Rs. 15 Crore each as grant towards the setting up of these Growth Centres. In addition, the funds released during the last 5 years to promote industries in the North-eastern states including transport subsidy are given in the statement enclosed.

**Statement***Funds released during the last 5 years in the North Eastern States (including Sikkim)*

(Rs. in crore)

Year	Transport Subsidy Scheme, 1971	Central Capital Investment Subsidy, 1997	Central Interest Subsidy, 1997	Central Comprehensive Insurance Scheme, 1997	Growth Centre Scheme, 1988
1998-99	30.03	—	—	—	5.48
1999-2000	35.32	—	—	—	8.00
2000-01	42.52*	2.00*	—	0.10#	9.95
2001-02	66.53 (65.83*+ 0.70**)	5.10*	1.25*	—	5.25
2002-03	94.97*	17.20*	2.00*	0.80#	19.00
<b>Total</b>	<b>269.37</b>	<b>24.30</b>	<b>3.25</b>	<b>0.90</b>	<b>47.68</b>

\*Funds released to North Eastern Development Finance Corporation Ltd. (NEDFI.)

\*\*Funds released to Sikkim.

#Funds released to National Insurance Company.

**Residential Schools for ST Students****Statement**

(Rs. In crore)

2656. SHRIMATI RANEE NARAH: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Union Government has any proposal for setting up the residential schools in each State especially for ST students in State of Assam; and

(b) if so, the details thereof and the fund allotted for the construction of residential schools?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) and (b) Yes, Sir. The Ministry of Tribal Affairs has released funds under Article 275(1) of the Constitution of India for setting up of 84 Eklavya Model Residential Schools, in the States having tribal population, including Assam, for imparting quality education to the Scheduled Tribe students of Vith to XIIth Standard. A statement showing the State-wise number of schools and funds released is enclosed.

S.No.	State	No. of Schools	Total amount released
1	2	3	4
1.	Andhra Pradesh	6	17.70
2.	Assam	2	2.00
3.	Bihar/Jharkhand	4	10.00
4.	Gujarat	6	12.00
5.	Himachal Pradesh	1	1.00
6.	Jammu & Kashmir	1	1.00
7.	Karnataka	3	8.0537
8.	Kerala	2	4.20
9.	Madhya Pradesh	9	17.0963
10.	Maharashtra	4	4.00
11.	Manipur	3	6.25

1	2	3	4
12.	Orissa	10	14.40
13.	Rajasthan	7	17.50
14.	Sikkim	1	2.50
15.	Tamil Nadu	1	2.95
16.	Tripura	3	7.50
17.	Uttar Pradesh	1	2.50
18.	West Bengal	5	6.50
19.	Arunachal Pradesh	1	1.00
20.	Meghalaya	2	2.00
21.	Mizoram	1	1.00
22.	Nagaland	3	7.50
23.	Chhatisgarh	8	10.85
Grand Total		84	159.50

#### Construction of PHCs

2657. SHRI R.L. JALAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has come forward to assist Karnataka for the construction of PHCs in the State;

(b) if so, how many PHCs will be constructed in Karnataka with NABARD assistance; and

(c) the amount proposed to be given by NABARD to Karnataka for this purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Details of Primary Health Centres (PHCs) sanctioned by National Bank for Agriculture and Rural Development (NABARD) in Karnataka are as under:

Year	RIDF Tranche	No. of PHCs sanctioned	Funds Sanctioned (Rs. Crores)
2001-02	RIDF-VII	1667	21.85
2002-03	RIDF-VIII	94	19.78

#### Consumption of Coffee

2658. SHRI KOLUR BASAVANAGOUD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is a need to boost the domestic consumption of coffee in the country;

(b) if so, whether there is any proposal to provide funds for generic promotion of coffee to boost its domestic consumption; and

(c) if so, the amount proposed to be spent in this regard during 2003-04 particularly in Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) Yes, Sir.

(b) and (c) In order to promote/enhance the domestic consumption of coffee, the Coffee Board is already implementing a plan scheme viz. Market Development with an exclusive component for promotion of domestic consumption of coffee, during the 10th Five Year Plan. Under the scheme the Board has been undertaking several initiatives such as:

- Participation in important national festivals/exhibitions.
- Organising coffee festivals in potential locations in the country.
- Aggressive generic promotion efforts through public relation campaigns.
- Providing intensive training on roasting and brewing coffee by conducting "Kaapi Shastra" courses in different locations.
- Carrying out annual domestic market research surveys to study the coffee consumption trends in the country.

For promotion of coffee consumption in the country, the Board proposes to spend Rs. 14.10 crore during the 10th Plan period out of which Rs. 2 crore have been earmarked for the current year. State-wise allocation of funds for promotion of domestic coffee consumption is not made.

#### Public Issues of Banks

2659. DR. RAJESWARAMMA VUKKALA: Will the Minister of FINANCE be pleased to state:

(a) the public sector banks which have gone for public issues of their shares during each of the last three years, bank-wise;

(b) whether all these issues have been over subscribed;

(c) if so, the details thereof; and

(d) the other banks which propose to go to share market with public issues in near future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Eight public sector banks have gone for public issue of their shares during the years ending 2001, 2002 and 2003 (latest available). All these issues were oversubscribed. The bank-wise details are as under:

Sl.No.	Name of the Bank	Over subscribed by times
1.	Andhra Pradesh	2.56
2.	Punjab National Bank	4.28
3.	Union Bank of India	5.06
4.	Canara Bank	1.83
5.	Allahabad Bank	3.55
6.	UCO Bank	17.04
7.	Indian Overseas Bank	6.00
8.	Vijaya Bank	17.06

(d) Government has received request from three banks viz. Bank of Maharashtra, Dena Bank and Punjab & Sind Bank for public issue.

#### **Cooperative Banks in Gujarat**

2660. SHRI SAVSHIBHAI MAKWANA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that many co-operative banks in Gujarat have failed to return investors' deposits;

(b) if so, the details thereof during the last three years;

(c) whether in many cases, the insurance companies have paid money to the co-operative banks;

(d) if so, the details thereof and the number of depositors, who have been paid money through insurance companies during the above period in the State; and

(e) the action taken/proposed to be taken by the Government to safeguard the interest of small investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (e) The information is being collected and, to the extent available, will be placed on the Table of the House.

[*Translation*]

#### **Private Banks in Maharashtra**

2661. KUMARI BHAVANA PUNDLIKRAO GAWALI:  
SHRI DANVE RAOSAHEB PATIL:  
DR. MAHENDRA SINGH PAL:

Will the Minister of FINANCE be pleased to state:

(a) the number of private sector banks functioning in Maharashtra;

(b) the proposals pending with the Ministry for setting up of private banks in the various States; and

(c) the criteria being followed to grant permission in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) 28 Private sector banks are functioning in the State of Maharashtra.

(b) Reserve Bank of India entertains proposals for setting up of private sector banks. RBI has issued in-principle approval to two applicants in January 2002 and will consider fresh applications for new banks only after three years from that date.

(c) A gist of guidelines regarding entry of private sector banks is as under:

- initial minimum capital of Rs. 200 crore.
- a minimum capital adequacy ratio of 10 per cent on a continuous basis from the commencement of its operations.
- licences would be issued by RBI to those who were likely to conform to the best standards of customer service and efficiency and the number of licences to be issued would be restricted to two or three of the best acceptable proposals.



- After issuing 'in-principle' approval to two applicants, Reserve Bank of India issued a Press Release on January 30, 2002, in terms of which RBI will consider inviting fresh applications for new banks in the private sector only after three years from that date and after further reviewing the working of the private sector banks. One Bank has already started functioning.

#### **Fiscal Responsibility Law**

2662. SHRI TRILOCHAN KANUNGO: Will the Minister of FINANCE be pleased to state:

(a) the names of States which have enacted fiscal Responsibility Law and implemented alongwith the date from which they have implemented;

(b) the name of State which have fixed target to achieve zero-revenue-deficit alongwith the achievements made by them so far;

(c) whether any sustainable limit for Gross State Domestic Product and revenue deficit ratio has been fixed for State Government;

(d) if so, the details thereof;

(e) whether the Government aware of the deficiencies in concept and measurement of State Domestic Products;

(f) if so, the details thereof; and

(g) the steps taken to correct the deficiencies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) According to information available with this Ministry, the following states have enacted Fiscal Responsibility Legislation: (i) Karnataka (w.e.f September 28, 2003) (ii) Punjab (w.e.f. May 5, 2003) (iii) Tamil Nadu (w.e.f. May 19, 2003) (iv) Kerala (w.e.f. September 17, 2003).

(b) The State-wise details on targets of revenue deficit are:

Item/State	Karnataka	Kerala	Tamil Nadu	Punjab
Revenue	Nil by	Nil by	Ratio of revenue	Reduce revenue deficit to
Deficit	2006	2007	deficit to revenue	revenue receipts by at least
			receipts below	5 percentage points until
			5 per cent by 2007	revenue balance is achieved.

(c) and (d) Under the States' Fiscal Reforms Facility (2001-01 to 2004-05), the States have been urged to improve their revenue deficit as percentage of total revenue receipt by 5 percentage points annually starting from 2000-01 over 1999-2000. For special category States the targeted improvement has been modified to 2 percentage points prospective from 2002-03.

(e) to (g) Government follows the recommendations of expert groups constituted from time to time for the measurement of State Domestic Product. The income originating approach has been adopted for estimating the State Domestic Product, in accordance with the recommendations of the Regional Accounts Committee.

[Translation]

#### **Daily Wages Employees in LIC**

2663. DR. SUSHIL KUMAR INDORA:  
SHRI NAWAL KISHORE RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether some employees have been working on daily wages in Life Insurance Corporation of India for several years;

(b) if so, the number of such employees who were working during eighties, nineties and from 2000 to 2003;

(c) whether the Government has prepared any policy so far to regularise these employees;

(d) if so, the details thereof and the date on which this policy was formulated; and

(e) the present policy of the Government to regularise such employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) LIC has informed that persons are engaged on daily wage/adhoc/temporary basis as and when contingencies arise. Their services cease, immediately after the completion of the day's work.

(b) The exact number of daily wagers working for the Corporation vary as per the requirement at a particular time/office. Hence, the number is of a floating nature and as such the exact number can not be determined.

(c) The LIC of India (Staff) Regulations, 1960 are deemed to be rules framed by the Central Government under section 48 (2) (cc) of the LIC Act, 1956. Regulations 8 of LIC of India (Staff) Regulations, 1960, is as under:

'8(1) Notwithstanding anything contained in these Regulations a Managing Director, Executive Director (Personnel), a Zonal Manager or of Divisional Manager may employ staff in Classes III and IV on a temporary basis subject to such general or special directions as may be issued by the Chairman from time to time.

8(2) no person appointed under sub-regulations (1) shall only by reason of such appointment be entitled to absorption in the service of the Corporation or claim preference for recruitment to any post'. Hence such daily wagers can not be regularised.

(d) and (e) LIC has informed that there is no proposal for regularizing such employees.

[English]

#### **Bank Frauds**

2664. DR. B.B. RAMAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether a huge amount of cash went missing under mysterious circumstances from premises of Karol Bagh branch of Corporation Bank in the first week of September, 2003;

(b) if so, the result of enquiry held in this regard;

(c) whether many cases of frauds in banks in which employees of the banks were involved have come to notice during last one year; and

(d) if so, the number of such cases came to the notice of the Government and the number of bank employees found guilty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Corporation Bank has reported that a cash box containing Rs. 20 lakh was found missing on 2.9.2003

when a remittance to Mahipalpur branch of their bank was being arranged. The bank has lodged a complaint with Karol Bagh Police Station the same day. The bank has also initiated a departmental enquiry in the matter.

(c) and (d) The Public Sector Banks have reported to Reserve Bank of India (RBI) the involvement of their employees in some cases of frauds. The present system of information on frauds does not permit RBI to collate the information relating to number of cases of frauds in which the employees of the banks were involved. However, during the year 2002 Public Sector Banks have convicted 199 employees, awarded major/minor penalties to 1491 employees out of which 424 employees were dismissed/discharged/removed, for their involvement in fraud cases.

#### **Shares Held by ICICI Bank**

2665. SHRI VARKALA RADHAKRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) the percentage of shares of ICICI Bank holds in South Indian Bank and Federal Bank as on date;

(b) whether the ICICI Bank has decided to sell off these shares;

(c) whether the Government have received some proposals from Indian Banks/Federal Bank for purchase of ICICI shares; and

(d) if so, the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) ICICI Bank had sold 2,00,000 shares of Federal Bank Ltd. during August 2003. Bank has not sold any shares of South Indian Bank in the past one year. As on November 19, 2003 ICICI Bank Ltd. held 20.40% (45,32,400 equity shares) in Federal Bank Ltd. and 11.40% (40,73,350 equity shares) in South Indian Bank Ltd. According to ICICI Bank these investments being financial investments, any decision regarding sale/purchase of shares is taken by the investment Committee/Board of Directors of the bank.

(c) No, Sir.

(d) Does not arise.

[Translation]

**Insurance and Marketing Schemes  
for Handloom Weavers**

2666. SHRI RADHA MOHAN SINGH:  
SHRI SULTAN SALAHUDDIN OWAISI:  
SHRI A. VENKATESH NAIK:  
SHRI RAMSHETH THAKUR:  
SHRI ASHOK N. MOHOL:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government propose to introduce insurance scheme for the handloom weavers;

(b) whether the Union Government and the State Governments will contribute to the said scheme;

(c) the details in this regard and the benefits the weavers are likely to get from the said scheme;

(d) the programme being implemented to impart training to the weavers;

(e) the names of the cities in which marketing/purchase centres will be set up and the steps taken to remove the problems being faced by the handloom sector and to make the existing schemes more effective; and

(f) the extent to which the Government has been successful in its efforts?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Yes, Sir. The Government of India has proposed to introduce the Bunkar Bima Yojana, which is a combination of Janshree Bima Yojana and Add-on Group Insurance Scheme with the objective of providing enhanced insurance coverage to the handloom weavers in case of natural as well as accidental death. The scheme has been approved for implementation in collaboration with the Life Insurance Corporation of India.

The annual premium under the Janshree Bima Yojana will be shared among the Life Insurance Corporation of India, the union Government and the weavers and in the case of add-on Group Insurance Scheme the premium will be shared between the Government of India and the weavers. The details of the funding pattern and the benefits under the Bunkar Bima Yojana is given below:

Item	Benefits (Sum assured)	Premium/Contribution	
Janshree Bima Yojana	Natural death.	Rs. 20,000/-	
	Death due to accident.	Rs. 50,000/-	
	Permanent total disability due to accident.	Rs. 50,000/-	
	Loss of 2 eyes or 2 limbs or one eye and 1 limb in accident.	Rs. 50,000/-	
	Loss of 1 eye or 1 limb in an accident	Rs. 25,000/-	
Add-on Group Insurance Scheme	For natural as well as accidental death	LICs contribution	Rs. 100/-
		Weavers' Contribution.	Rs. 40/-
		GOI contribution	Rs. 60/-
	Total premium	Rs. 200/-	
Bunkar Bima Yojana	Natural death Accidental death	LICs contribution	Rs. 100/-
		Weavers' contribution	Rs. 130/-
		GOI contribution	Rs. 150/-
	Total premium	Rs. 380/-	
(Janshree Bima Yojana + Add-on Group Insurance Scheme)			

**ADDITIONAL BENEFITS:**

Under the Janshree Bima Yojana scholarship will also be available to the children of parents who will be covered under it. A scholarship of Rs. 300/- per quarter per child will be paid to students studying in standard IX to XII for

a maximum period of four years or till they complete XII standard, whichever event occurs earlier.

(d) With the objective to train weavers, designers and dyers connected with the handloom industry, in Weaving Technology, design Development & Dyeing

Technique, Decentralised Training Programmes are being conducted by 24 Weavers' Service Centres all over the country. During the year 2002-03, a total number of 5550 weavers were imparted training under the said scheme. During 2003-04, training to 6000 weavers by Weaver Service Centres has been sanctioned. The Hon'ble Prime Minister had announced that skill upgradation of one lakh weavers would be undertaken. For this purpose, a new comprehensive scheme i.e. Integrated Handloom Training Project has been approved in December 2003.

(e) and (f) Seven Marketing Complexes have been set up at Hyderabad, Indore, Kanpur, Kolkata, Jaipur, Ahmedabad and Navimumbai. Two other Marketing Complexes have been approved for being set up at Lucknow and New Delhi. The Government of India is already implementing various Schemes for the overall development of the handloom sector and welfare of handloom weavers. They are as under:

- (1) Design Development & Training Programme.
- (2) Marketing Promotion Programme.
- (3) Mill Gate Price Scheme.
- (4) Deen Dayal Hathkargha Protsahan Yojana.
- (5) Workshed-cum-Housing Scheme.
- (6) Weavers Welfare Scheme.
- (7) Handloom Export Scheme.
- (8) Implementation of Handloom (Reservation of Articles for Production) Act, 1985.

An amount of Rs. 130.83 crore was released by the Central Government under the above Schemes in 2002-03. An amount of Rs. 156.77 crore has been allocated in the budget 2003-04 for the above schemes.

[English]

#### **Evasion of Service Tax**

2667. DR. RAGHUVANSH PRASAD SINGH:  
SHRIMATI KANTI SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Delhi Central Excise Commissioner has detected evasion of Service Tax by the Deusoft Overseas Private Limited to the tune of the crores of rupees;

(b) if so the efforts made by the Government for the recovery of the revenue;

(c) whether the evasion of Service Tax by some other companies engaged in on line information and retrieval services is rampant;

(d) if so, whether the same has been investigated;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) Yes Sir, A case of evasion of Service Tax has been detected against M/s Dewsoft Overseas Private Limited involving evasion to the tune of Rs. 3 crores. Party has paid an amount of Rs. 1,11,36840/-.

(c) to (f) *Modus operandi* adopted by M/s Dewsoft has been circulated to all field formations. Five cases involving an amount of about Rs. 22.35 lakhs have been detected against the on line information and retrieval service providers.

#### **Levy of Taxes**

2668. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether test check by audit of about one thousand private banking companies and non-banking financial companies has revealed serious irregularities in not following the statutory provisions resulting in short levy of taxes of Rs. 1,04,177.18 lakhs;

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

(c) the action taken/proposed to be taken to realize the tax amount from them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) The C&AG in their Report No. 12A of 2002, laid down in Parliament on 15th March, 202, have pointed out certain irregularities on account of failure to follow the statutory provisions leading to alleged short levy of tax of Rs. 1,04,177.18 lakhs in 1587 cases.

(b) and (c) CBDT has directed vide Instruction No. 1928 dated 7.8.1995 to their Assessing Officers

working in all Commissionerates of Income Tax in the country to invariably initiate remedial actions including rectificatory measures, in all cases of revenue audit objections irrespective of the fact whether the revenue audit objections are accepted or not accepted by the department. To clear audit observations, field units have since been instructed to settle cases on priority basis. This review of private banking companies & non-banking financial companies has been selected by the Public Accounts Committee of Parliament for further examination and Oral Evidence of the Ministry of Finance & CBDT. A detailed report has already been submitted to Lok Sabha Secretariat and to C&AG by the CBDT and Department of Revenue.

#### **Lok Adalats**

2669. SHRI SURESH KURUP: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government has any plans to strengthen Lok Adalats in the country as a forum for alternate dispute resolution; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) With a view to strengthen Lok Adalats as a forum for Alternate Dispute Resolution, the Legal Services Authorities Act, 1987 has been amended through Legal Services Authorities Amendment Act, 2002 on 11.6.2002 for providing mechanism for pre-litigation, conciliation and settlement.

The amended Act stipulates the establishment of Permanent Lok Adalats for exercising jurisdiction in respect of disputes relating to public utility services, such as, transport service, postal, communication, etc. Under the Amended Act, a party to a dispute, relating to public utility services has been given an option to make an application to the Permanent Lok Adalat to be established under the Act. Such Permanent Lok Adalats have been vested with the powers of jurisdiction to decide the matter and pass a binding award which shall be deemed to be a decree of the Civil Court and shall be final.

#### **Plantation Companies**

2670. SHRI SHIVAJI MANE:  
SHRI RAM TAHAL CHAUDHARY:

Will the Minister of FINANCE be pleased to state:

(a) whether a number of agricultural plantation companies have come up in the country collecting huge funds from the small investors promising most lucrative returns to the investors;

(b) if so, the total number of such companies which are registered with Government and their total deposits as on date;

(c) whether the Government is aware that most of these companies are bogus and their post dated cheques have bounced; and

(d) if so the steps taken by the Government to realize the amount of the investors from these bogus companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Based on the information filed by the CIS entities with SEBI/application for registration filed by the CIS entities with SEBI/investor complaints received, SEBI has information regarding 664 entities which had reportedly mobilised about Rs. 3518 crore.

(d) A total of 563 entities/their concerned officials have been debarred by SEBI from operating in the capital market and/or accessing the capital market for a period of 5 years. These cases have been referred to the state governments to have civil/criminal proceedings initiated against them for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds. SEBI has launched criminal prosecution against 206 entities and their directors for their failure to wind up their CIS to repay their investors. In the case of 51 erring CIS entities, SEBI has requested the police authorities to file first information report against the entities and/or their concerned officials.

#### **Package for Modernisation of Mills**

2671. SHRI K.P. SINGH DEO: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has a proposal to modernize weaving mills in the country;

(b) whether the Government has announced any package for the purpose; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to

(c) For modernisation of the whole of textile and jute industries of the country, including the weaving industries, Government has launched the Technology Upgradation Fund Scheme (TUFS) which is in operation since 1st April, 1999. The Scheme provides for a reimbursement of interest @ 5% point on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme. For powerloom sector, with effect from 06.11.03, upfront 20% capital subsidy for powerloom and weaving preparatory machinery have been allowed by further expanding the credit network to include all cooperative banks and other genuine Non-banking Financial Companies (NBFS) recognized by the Reserve Bank of India.

#### **Branches of Insurance Companies in Rural Areas**

2672. SHRI B. VENKATESHWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether it is mandatory for all private life insurance companies in the country to set up branches in rural areas to meet rural obligation;

(b) if so, the details thereof;

(c) whether some private insurance companies have not able to achieve these targets in this regard; and

(d) if so, the action taken by the Government against the companies which could not meet their targets?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The Insurance Regulatory and Development Authority (IRDA) has informed that it is not mandatory for private life insurance companies in the country to set up branches in rural areas to meet rural obligation.

(b) Does not arise.

(c) and (d) IRDA has noticed that two private insurance companies viz. Metlife Insurance Co. and Aviva Life Insurance Co. have not been able to achieve the targets. The Metlife Insurance Co. has a short fall in the social sector and Aviva Life Insurance Co. has a short fall in both the rural and social sector. IRDA has issued necessary instructions to these companies to make up short fall in the financial year 2003-04.

#### **Purchasing Power of Indian Rupees**

2673. SHRI LAXMAN GILUWA:  
SHRI MANSINH PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether the purchasing power of Indian rupee has constantly decreased during the last few years;

(b) if so the average value of rupee in the year 1991-92 and the years 1997-98 and 2002-2003 on the basis of the value of rupee in the year 1980-81;

(c) whether there has been considerable difference in the purchasing power or rupee in various cities of the country;

(d) if so, the purchasing power of rupee during the financial year 2002-2003, State-wise; and

(e) the reasons of difference in purchasing power in various States of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The purchasing power of the Indian rupee, as measured by the reciprocal of the Consumer Price Index for industrial workers, has had a declining trend over the years.

The average value of the rupee for the years 1991-92, 1997-98 and 2002-2003 with base 1980-81 was:

Year	Value of Rupee (in Paise)
1991-92	36.99
1997-98	22.13
2002-03	16.80

(c) to (e) The value of rupee differs in various Cities and States, (given in the statement enclosed) because of differences in the State consumer price indices caused by different consumption pattern and also variations of prices in States.

**Statement***State-wise value of rupee in paise in selected centres during 2002-03*

Sl. No.	State/U.T.	Centre/city	Value of Rupees in Paise (1982=100)
1.	Andhra Pradesh	Hyderabad	21.12
2.	Assam	Guwahati	20.70
3.	Bihar	Monghyr Jamalpur	22.77
4.	Chhattisgarh	Bhilai	23.81
5.	Gujarat	Ahmedabad	20.84
6.	Haryana	Faridabad	20.63
7.	Jammu & Kashmir	Srinagar	18.14
8.	Jharkhand	Jamshedpur	22.86
9.	Karnataka	Bangalore	21.89
10.	Kerala	Alwaye	20.72
11.	Madhya Pradesh	Bhopal	19.56
12.	Maharashtra	Mumbai	17.71
13.	Orissa	Rourkela	23.89
14.	Punjab	Amritsar	23.72
15.	Rajasthan	Jaipur	22.44
16.	Tamil Nadu	Chennai	19.27
17.	Uttar Pradesh	Kanpur	21.70
18.	West Bengal	Darjeeling	24.83
19.	Chandigarh	Chandigarh	19.42
20.	Delhi	Delhi	17.97
21.	Pondicherry	Pondicherry	19.23
All India			20.76

*[Translation]***Ombudsman in Banks**

2674. SHRI RAM TAHAL CHAUDHARY:  
SHRI BIR SINGH MAHATO:

Will the Minister of FINANCE be pleased to state:

(a) whether ombudsman has been appointed to dispose off the grievances of bank consumers;

(b) if so, the number of such complaints received by the ombudsman during the last three years and the action taken thereon;

(c) the number of bank officials against whom action has been taken during the above period;

(d) whether disposal of grievances of consumers is delayed despite measures adopted by the Government; and

(e) if so, the reaction of the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Reserve Bank of India (RBI) have reported that number of complaints received by the Ombudsmen during the last three years and the action taken thereon:

Particulars	2000-01	2001-02	2002-03
(1) Complaints received	6978*	7022*	6506*
(2) of which maintainable complaints	4246	4618	4374
(3) Number of complaints disposed of	3131	3511	3078

\*Includes previous year's pending complaints.

(c) The Scheme does not envisage disciplinary action against Bank officials by RBI, hence data Reporting System of RBI does not generate the information asked for.

(d) and (e) The Banking Ombudsman Scheme is meant for speedy and inexpensive resolution of customers' complaints and generally the complaints are attended to by the Banking Ombudsman's Office without delay.

[English]

#### Income Tax Appellate Tribunal

2675. SHRI UTTAMRAO PATIL:  
SHRIMATI SHYAMA SINGH:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Union Government has recently taken a decision to set up more benches of the Income Tax Appellate Tribunal in the country;

(b) if so the details thereof;

(c) the number of ITAT benches functioning in the country at present and number of cases pending with each tribunal; and

(d) the effective steps taken to clear the cases in the tribunals?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) The Government sanctioned 10 permanent benches and 20 temporary benches of the Income Tax Appellate Tribunal on 9th December 2003.

(c) At present 53 benches are functioning in the country and the number of cases pending with each of the benches (Tribunal) as on 01.12.2003 is given in the statement enclosed.

(d) Necessary steps regarding clubbing of cases involving similar issues, small cases and covered cases, by the decisions of Supreme Court/High Court/Income Tax Appellate Tribunal decisions, are being taken up for hearing out of turn. The Bar is also requested by ITAT to bring to their notice all such covered cases for early hearing. Besides, Search & Seizure and appeals u/s 263 are also being given priority in their disposal. The enhancement of limit from Rs. one lakh to Rs. five lakhs for appeals to be heard by a Member sitting singly, is also showing down-ward trend in the pendency of such appeals. Amendment to section 260A of the Income Tax also reduced the pendency of appeals as no R.A. is preferred in I.T.A.T.

Necessary steps to dispose of Single Member Cases were taken by posting such case before more members having powers to dispose of such cases regularly in addition to Division Bench cases. A special drive to dispose of S.M.C. Power, were ordered to Benches, where such pendency was very high w.e.f. 17.3.2003 to 4.4.2003 and this has helped to reduce the pendency of such appeals.



**Statement**

Sl. No.	Benches	No. of Benches	Pendency as on 01.12.2003
1.	Mumbai	10	37603
2.	Pune	1	6679
3.	Nagpur	1	1181
4.	Panaji	1	1087
5.	Delhi	7	24502
6.	Allahabad	1	2193
7.	Lucknow	1	5962
8.	Jabalpur	1	1592
9.	Agra	1	3841
10.	Kolkata	5	4250
11.	Patna	1	935
12.	Cuttack	1	2498
13.	Guwahati	1	373
14.	Chennai	4	15486
15.	Cochin	1	1258
16.	Ahmedabad	3	18433
17.	Rajkot	1	2374
18.	Indore	1	5051
19.	Hyderabad	2	4564
20.	Bangalore	3	5167
21.	Visakhapatnam	1	2946
22.	Chandigarh	2	4114
23.	Amritsar	1	3189
24.	Jaipur	1	5151
25.	Jodhpur	1	5121
	<b>Total</b>	<b>53</b>	<b>165550</b>

**Ashram Schools**

2676. SHRI BHARTRUHARI MAHTAB:  
SHRI SURESH CHANDEL:

Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether Ashram Schools specially built in tribal dominated areas of Orissa are facing dearth of funds for modernization;

(b) if so, the steps taken for increasing the literacy rate in those areas;

(c) the number of Ashram Schools established in each State during last three years; and

(d) the amount of funds allocated to Orissa for development of Ashram Schools?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) Under the Centrally Sponsored Scheme of "Construction of Ashram Schools in Tribal Sub Plan areas", the Ashram Schools are constructed on 50:50 fund-sharing basis between Centre and the State Governments. Under this scheme, there is no provision of funding for modernization of these schools. The Ministry of Tribal Affairs has also not received any report from Orissa Government regarding shortage of funds for modernization of such schools.

(b) The increase in literacy rate is not *prima facie* linked to the modernization of the Ashram Schools. However, schemes in the area of education like construction of Boys Hostels and Girls Hostels for STs, Post Matric Scholarship for STs, Establishment of Ashram Schools in TSP areas, Educational Complexes for Girls in the Low Literacy Pockets, Model Residential Schools etc. are funded by the Ministry of Tribal Affairs to raise the education level in tribal areas.

(c) Information is given in the statement-I enclosed.

(d) Information is given in the statement-II enclosed.

**Statement-I***Number of Ashram Schools sanctioned during last three years to various State Govts.*

S.No.	Name of the State Govt.	Number of Ashram Schools		
		2000-01	2001-02	2002-03
1.	Andhra Pradesh	0	7	—
2.	Assam	0	—	—
3.	Gujarat	0	43	—
4.	Himachal Pradesh	0	—	—
5.	Daman and Diu	0	—	—
6.	Kerala	0	—	—
7.	Madhya Pradesh	0	—	130
8.	Manipur	0	—	—
9.	Orissa	0	—	—
10.	Rajasthan	0	—	—
11.	Tamil Nadu	0	—	—
12.	Tripura	0	1	—
13.	Uttar Pradesh	0	—	—
14.	Karnataka	0	9	5
15.	Maharashtra	0	—	—
16.	Chhattisgarh	0	46	—
<b>Total</b>		<b>0</b>	<b>106</b>	<b>135</b>

**Statement II***The amount of funds allocated to Orissa for establishment of Ashram Schools from 1992-93 to 2002-03)*

(Amount in Lakhs)

S.No.	Year	Amount released
1	2	3
1.	1992-93	42
2.	1993-94	16.2
3.	1994-95	60
4.	1995-96	70

1	2	3
5.	1996-97	60
6.	1997-98	50
7.	1998-99	40
8.	1999-2000	—
9.	2000-01	—
10.	2001-02	—
11.	2002-03	—
<b>Total</b>		<b>338.2</b>

**Theft in SBI Branch**

2677. SHRI RAMJIVAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India, Ghaziabad branch, was recently looted;

(b) if so, the details thereof stating the estimated amount looted by the robbers;

(c) whether the Government has made assessment of the lapses in the existing security arrangements in the bank;

(d) if so, the details thereof; and

(e) the measures taken by the Government to improve the existing security arrangements in the bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) State Bank of India (SBI) has informed that an amount of Rs. 81 lacs has been looted in an incident of dacoity at their Model Town, Ghaziabad Branch on the night of 17th-18th November, 2003 and one Guard of the Bank was killed by strangulation.

(c) and (d) The Branch being a currency chest branch, the security arrangement was in place as per the Bank's guidelines to guard the Branch round the clock by Armed Guards.

(e) SBI has advised all its Local Head Offices to review the security arrangements in sensitive branches and make additional security arrangements to ensure that such incidents do not recur.

**National Savings Scheme**

2678. SHRI N.N. KRISHNADAS: Will the Minister of FINANCE be pleased to state:

(a) whether there is any move to list up the ceiling for SAS agents of National Savings Scheme to remit in cash at the Post offices at a time received from the investors;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) The existing arrangement has been found to be adequate on consideration of relevant factors.

**Soiled Notes**

2679. SHRI PAWAN KUMAR BANSAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the banks continue to include badly soiled currency notes in the wads of currency given to the public;

(b) if so, the reasons therefor;

(c) whether banks are not free to send their entire stock of soiled currency notes for exchange to the RBI; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) As per instructions issued by the Reserve Bank of India (RBI), banks are required to sort out notes received by them into issuable and non-issuable notes and issue only clean notes to the public. Occasional complaints of inclusion of soiled notes in the wads of currency notes issues by the banks have been received by RBI.

(c) Banks are free to send their soiled currency notes to Reserve Bank of India for exchange through their Currency chest branches.

(d) Does not arise.

*[Translation]*

**World Bank and ADB Assistance to Bihar & Jharkhand**

2680. SHRI RAJO SINGH: Will the Minister of FINANCE be pleased to state:

(a) the project-wise details of loan provided by the World Bank and Asian Development Bank to Bihar and Jharkhand during the last three years;

(b) the names of the countries which have proposed for providing loan to Bihar and Jharkhand and the names of the projects of Bihar and Jharkhand for which these efforts have been made;

(c) whether the Government have accepted those proposals; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No fresh World Bank funding for state sector projects in Bihar and Jharkhand has been approved during the last three years.

(b) There is no such proposal.

(c) and (d) Does not arise.

[English]

#### Export of Tea to Iraq

2681. SHRI RUPCHAND MURMU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether tea producers are now suffering a lot because of supplies to Iraq has been grounded;

(b) whether Letters of Credit for export of tea to Iraq have been received during the current year; and

(c) if so, the total amount of tea exported to Iraq during the current year till date?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) The shipment of tea to Iraq suffered a setback due to the war in that country. The resulting fall in exports of Indian tea has adversely affected the Indian tea producers.

(b) Yes Sir.

(c) During the year 2003 i.e. from January to October 2003, tea exports from India to Iraq were 4.15 million kgs. (value Rs. 25.99 crores).

#### Conversion of Charitable Society into Company

2682. SHRI VINAY KUMAR SORAKE:  
SHRI RAMDAS ATHAWALE:

Will the Minister of FINANCE be pleased to state:

(a) whether a leading heart care institute in Delhi registered as a charitable society in 1981, was transferred to a non-charitable company in Chandigarh;

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

(c) if so, whether exemptions availed on donations to charity have been misused by conversion of a charitable society into a company; and

(d) if so, to what extent, in terms of loss to the public exchequer, there has been avoidance of tax payment by the company from the date of its taking over the charitable society?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) A company in the name of M/s. Escorts Heart Institute and Research Centre Limited was incorporated under of the Companies Act on 30.05.2000. According to the Memorandum of Association, the company is not a charitable company. The company has taken over the business of a society registered with the Registrar of Firms and Societies, Union Territory Chandigarh on 11.11.1999 under the name of M/s. Escorts Heart Institute and Research Centre. A Charitable society by the name of Escorts Heart Institute and Research Centre was reportedly also registered in Delhi in 1981.

(c) and (d) The matter being *subjudice* these can not been answered.

[Translation]

#### Export/Import of Fruits

2683. SHRI NAMDEO HARBAJI DIWATHE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the names of fruits being exported from India and imported by India;

(b) the names of fruits out of those which are exported/imported in maximum quantity; and

(c) the total foreign exchange earned from the export and spent on import of fruits during the years 2001, 2002 and 2003?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) The data on quantity and value of fruits exported and imported during the years 2001, 2002 and 2003 is given in the publication 'Monthly Statistics of Foreign Trade

of India; Volume-I (exports) and Volume-II (Imports) Annual Number' published by Directorate General of Commercial Intelligence and Statistics, which is available in the library of the Parliament.

[English]

#### Protection of Tribals

2684. SHRI MANSINH PATEL:  
SHRI MANSUKHBHAI D. VASAVA:

Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the most of the tribals in the country particularly in Gujarat mainly depend on the forest products for sustaining their livelihood;

(b) whether the tribals are denied access to forests products by forest guards taking shelter of various laws and exploit the tribals particularly the women;

(c) whether the Government has conducted any survey in this regard;

(d) if so, the findings thereof; and

(e) the remedial measures Government propose to take to allow tribals unhindered access to forest products?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) The Ministry of Environment and Forests have informed this Ministry that the tribals in the country, including those from Gujarat, depend on jungle products for sustaining their livelihood to some extent only. The State/UT Government have also furnished similar information.

(b) The Ministry of Environment and Forests have clarified to the State Governments that the provisions of Forest (Conservation) Act, 1980 do not affect the enjoyment of recorded rights/concessions of local people especially tribals for their own *bona fide* domestic use. The majority of the State/UT Governments have also informed this Ministry that tribals have free access to jungle products and there is hardly any exploitation of tribals including women, on this account.

(c) and (d) The Ministry of Environment and Forests have pointed out that the subject 'forest' being in the concurrent list, the role of that Ministry is more related to the policy issues whereas the responsibility of its actual

management and protection vests with the State Governments. The survey on exploitation of tribals is an issue to be dealt by the State Governments and, as such, no data is compiled and collated in that Ministry. The information received from the State/UT Governments reveals that no such survey has been conducted by them in this regard.

(e) In view of the position stated in reply to part (b) of the Question above, this question does not arise.

#### One Time Settlement of Loan

2685. SHRI CHANDRAKANT KHAIRE:  
SHRI RAMESH CHENNITHALA:  
SHRI AMBAREESHA:

Will the Minister of FINANCE be pleased to state:

(a) whether the public sector banks have adopted and implemented the policy of one time settlement of dues owed by the debtors;

(b) if so, the details thereof;

(c) the criteria adopted in arriving at such settlement;

(d) whether it has come to the notice of the Government that some banks do it in a selective manner;

(e) if so, the details thereof and the bank-wise complaints received by the Government in this regard; and

(f) the action taken in such cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) RBI has issued revised guidelines for compromise settlement of chronic NPAs of Public Sector Banks on 29th January, 2003. These guidelines will cover all NPAs in all sectors irrespective of the nature of business, which have become doubtful or loss as on 31st March 2000 with outstanding balance of Rs. 10.00 crore and below.

(c) Settlement formula under the OTS Scheme is as under:

(i) *NPAs classified as Doubtful or Loss as on 31st March 2000.*

The minimum amount that should be recovered under the revised guidelines in respect of compromise settlement

of NPAs classified as doubtful or loss as on 31st March 2000 would be 100% of the outstanding balance in the account as on the date of transfer to the protested bills account or the amount outstanding as on the date on which the account was categorised as doubtful NPAs, whichever happened earlier, as the case may be.

(ii) *NPAs classified as sub-standard as on 31st March 2000 which became doubtful or loss subsequently.*

The minimum amount that should be recovered in respect of NPAs classified as sub-standard as on 31st March 2000 which became doubtful or loss subsequently would be 100% of the outstanding balance in the account as on the date of transfer to the protested bills account or the amount as on the date on which the account was categorised as doubtful NPAs, whichever happened earlier, as the case may be, plus interest at existing Prime Lending Rate from 1st April 2000 till the date of final payment.

(d) to (f) Government receives representations/complaints through various channels on different aspects of operations of public sector banks including the one relating to implementation of One Time Settlement Scheme. These references are sent to concerned banks for taking necessary action as per terms and conditions contained in bank's lending/recovery policies.

[*Translation*]

#### **Economic Reforms**

2686. SHRI PADAMSEN CHOUDHRY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has proposed to implement economic reforms rapidly in public sector undertaking, banking insurance and other sectors for higher economic growth;

(b) if so, the details thereof; and

(c) the time by when the said reforms are likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Economic reforms are a continuous process and the policy instruments to implement them are reviewed from time to time in light of the prevailing situation. The future agenda for reforms broadly aims at widening and deepening the reform process and includes, *inter alia*, a

special focus on the agricultural sector, promoting flexibility in factor markets, accelerating investment in physical and social infrastructure sectors and strengthening fiscal consolidation.

[*English*]

#### **Purchase from Kendriya Bhandar**

2687. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased refer to answer given to Unstarred Question No. 4136 dated August 9, 2002 regarding Purchase from Kendriya Bhandar and state:

(a) whether the information has since been collected;

(b) if so, the details thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The information is still being collected and will be laid on the Table of the House.

#### **Loans for Self Employment Schemes**

2688. SHRI KAMAL NATH:  
SHRIMATI SHYAMA SINGH:  
SHRI MANIKRAO HODLYA GAVIT:  
SHRI RAGHUNATH JHA:  
KUMARI BHAVANA PUNDLIKRAO GAWALI:  
SHRI DANVE RAOSAHEB PATIL:

Will the Minister of FINANCE be pleased to state:

(a) the target fixed for providing loan under the Swam Jayanti Gram Swarozgar Yojana, Swam Jayanti Shahari Rozgar Yojana and Prime Minister's Rozgar Yojana during the last three years alongwith the target achieved State-wise and scheme-wise;

(b) whether the procedure for sanctioning debts under this scheme is complicated and inadequate amount of debts are the main cause; and

(c) if so, the steps taken to streamline the procedure of the distribution of the debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The information is being collected and, to the extent available, will be placed on the Table of the House.

**Joint Venture with CWC**

2689. DR. MANDA JAGANNATH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether some State Governments have requested the Union Government to bring in a legislation for enabling the State Warehousing Corporations to enter into joint ventures with not only the Central Warehousing Corporation but also with any other body bringing in strategic strength of capital and technology;

(b) if so, the details thereof; and

(c) the action taken by the Union Government in this regard and the time by which the legislation is likely to be brought?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) and (b) Yes, Sir. State Government of Andhra Pradesh has suggested amendment of the Warehousing Corporation Act, 1962 to enable State Warehousing Corporations (SWCs) to enter into joint venture with prior approval of the State Govt., with any other body for bringing in strategic strength of capital and technology.

(c) The comments/views of the Central Warehousing Corporation (CWC), all SWCs and concerned State Governments have been invited on the suggestions made by Government of Andhra Pradesh for taking a final view on the matter.

**Deemed University Status to Research Institutes**

2690. SHRI P.D. ELANGO VAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has decided to provide 'Demand University' status for the leading research institutes coming under the Ministry of Commerce and Industry;

(b) if so, the details thereof, and the list of research institutions already provided the Deemed University Status and the institutions taken up for consideration;

(c) the details of the funds allocated for the research institutes in the last three years and the major projects or works done by the Institutions during that period;

(d) the measures taken by the Government to provide adequate representations for the OBC in these research institutes;

(e) whether the Government has the detailed reports from the various research Institutes regarding the current status of OBC representations in Group A, B and C; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) Deemed University status is granted by the Ministry of Human Resource Development to an Institution on fulfilling prescribed criteria keeping in view the merits of each case. IIFT is the only Institution under the Department of Commerce which has been granted 'Deemed University' status in May, 2002 subject to the condition that it will adhere to the guidelines/instructions issued by the University Grants Commission from time to time.

(c) A statement is enclosed.

(d) to (f) IIFT are resorting to 100% recruitment from open market in the case of all faculty cadres and have increased the element of direct recruitment in the posts of Section Officer, Assistant, Personal Assistant so as to facilitate adequate representation of reserved category candidates in these cadres. The representation of OBCs is as follows: Group A—1, Group B—Nil Group C—Nil.

**Statement**

*Details of funds allocated to the Indian Institute of Foreign Trade during the last three years are as under*

	(Rs.)		
Year	2000-2001	2001-2002	2002-2003
Grant-in-Aid (Plan)	40,000,000	50,000,000	25,000,000
Grant-in-Aid (Non-Plan)	25,000,000	30,000,000	31,000,000

The major works/projects done by the Institute during the above period are as Under:

So far as training is concerned, the Institute continued to conduct its regular foundational programmes, viz. Masters Programme in International Business (MPIB) and Executive Masters in International Trade (EMIT). In addition, the Institute conducted part-time Certificate Courses (Evening), regular Management Development Programmes and sponsored Management Development Programmes. The Institute also continued to offer one-year Executive Diploma in International Business (EDIB) at Al-Ghurair Academy, Dubai and two-year MPIB and one-year Post Graduate Diploma in International Trade (PGDIT) at Institute of Financial Management (IFM), Tanzania.

As a part of its Research activities, the Institute conducted various research projects, seminars/workshops during the period, the details of which are as under:

#### **2000-2001**

##### **Research Studies**

1. Study on Impact of India's Trade Liberalisation on Bhutan's Exports to India.
2. World Trade Organisation (WTO) Consistency of Trade Policy of Select Partner Countries of India.
3. Desirability of Bilateral Free Trade Agreement with Select Countries.
4. Export Marketing Strategy for Selected Handicrafts in Germany, USA and Saudi Arabia.
5. A Study on Foreign Direct Investment.
6. Study on Export of Small Scale Sector Products to Select Countries (Egypt, Germany, Iran, Libya and Vietnam).
7. Export Potential of Table Eggs in Dubai and Kuwait.
8. India's Export Prospects in West Asia & North Africa (WANA)-A Study of Select WANA countries.
9. Compendium on Technology Exports: A Compilation of Select Exported and Exportable Technologies from India.

##### **Seminars/Workshops**

1. WTO—Its Impact on Small and Medium Enterprises (SMEs)
2. WTO Agreement on Agriculture at Ludhiana.
3. WTO Agreement on Agriculture: India's Negotiating Agenda.
4. Negotiation Techniques in the Area of Trade and Investment Liberalisation.
5. Workshop on Bio-Technology with Special Focus on Genetically Modified Foods.
6. Regional Meeting on Research and Training Needs in International trade in Asia-Pacific Countries.
7. Seminar on Implications of the Removal of Quantitative Restrictions.
8. Workshop on WTO & Indian Leather Industry at Kolkata.
9. Round Table Conference on WTO Dispute Settlement Mechanism.

#### **2001-2002**

##### **Research Studies**

1. Analysis of the Desirability of a Bilateral Free-Trade Agreement with Egypt.
2. Bilateral Free Trade Agreement between India and South Africa.
3. Desirability of India's Bilateral Free Trade Agreement with Chile.
4. China's Accession to Bangkok Agreement.
5. India's Export Potential to Mercosur Countries.
6. Medium Term Plan for Tobacco Exports from India and Strategies for the Next Five Years.
7. Promotion of India's Trade with Sub-Saharan African Countries.
8. Export Potential Survey of Madhya Pradesh.
9. Export Potential Survey of Tripura.
10. Establishment of Warehousing Facility in Southern Africa.
11. WTO Agreements on Agriculture.



12. Guidelines and Rules Pertaining to the Export of Non-Conventional Energy Products, Services and Technologies.
13. NIC Code Numbers for Selected Products.
14. India's Export Potential in Pharmaceutical Products in Select African Countries.

#### **Seminars/Workshops**

1. Workshop on WTO Issues.
2. WTO Ministerial Round at Doha-Conflicting Interests and National Agenda.
3. Colloquium on Technology Exports.
4. Intensive Training Session for Negotiations of International Investment Agreements (UNCTAD)

#### **2002-2003**

#### **Research Studies**

1. Regional Trade Arrangements (RTAs): An impact Analysis of North Atlantic Free Trade Agreement (NFTA) with Special Reference to India.
2. Peer Review of Export Inspection Council (EIC) and Export Inspection Agencies (EIA)
3. Analysis of Desirability of Assessment of Benefit of A Bilateral Free Trade Agreement between India and Morocco
4. Export Potential Survey of Jharkhand.
5. Export Potential Survey of Orissa.
6. WTO Compatibility Scheme for State of Uttar Pradesh (UP).
7. Policies and Incentives for Accelerating Technology Incentive Exports: Exporters' Perspective.
8. Technology Intensive Export from India: Based on Reports of Trade Delegations.
9. A Compendium on Institutions Offering Management Education, Courses Offered and Structure in India Ocean Rim Countries (IORC)
10. Implications of European Union (EU) and United States (US) Generalised System of Preferences

(GSP) Rules of Origin on Indian Textiles and Clothing Sector.

#### **Seminars/Workshops**

1. Workshop on WTO Matters.
2. WTO/World Customs Organisation (WCO) National Seminar on Trade Facilitation.
3. Intensive Training Session for International Negotiators Investment Agreements.

#### **Integrated Tribal Development Projects**

2691. SHRI S.D.N.R. WADIYAR: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Integrated Tribal Development projects (ITDP) are being implemented in every State;

(b) if not, the reasons therefor;

(c) the allocation of funds made during last three years under ITDP, State-wise;

(d) if so, the details of the steps taken for the development of tribals under the schemes during last year in each State; and

(e) the achievement made thereon?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) and (b) The Integrated Tribal Development Project (ITDPs) are the administrative structures functioning in the States/UTs of Assam, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, Andaman & Nicobar Islands and Daman & Diu for coordinating the various activities aimed at tribal welfare.

(c) to (e) The Ministry has not allocated funds directly to the ITDPs during the last three years. However, the ITDPs implement and monitor schemes/programmes funded under various schemes of the Central/State Governments for the welfare of the Scheduled Tribes. A statement showing the achievements made under point 11 (b) of 20 Point Programme during the last three years is enclosed.

**Statement****State-wise Achievement under point 11(b) of 20-Point Programme  
during the years 2000-01 to 2002-03**

S.N.	State/U.T.	2000-01 No. of S.T. families assisted	2001-02 No. of S.T. families assisted	2002-2003 No. of S.T. families assisted
1.	Andhra Pradesh	209930	51870	96440
2.	Assam	20323	55022	42928
3.	Bihar	12262	5199	5429
4.	Gujarat	125271	107356	96762
5.	Himachal Pradesh	6883	8459	4888
6.	Jammu & Kashmir	839	3228	—
7.	Karnataka	9757	31625	16589
8.	Kerala	1648	1435	1066
9.	Madhya Pradesh	234481	213979	220299
10.	Maharashtra	84755	48777	53799
11.	Manipur	1752	3683	2425
12.	Orissa	44038	73764	75732
13.	Rajasthan	74374	85256	87217
14.	Sikkim	5099	5015	3979
15.	Tamil Nadu	6773	14824	9870
16.	Tripura	12017	13905	10616
17.	Uttar Pradesh	1869	1133	486
18.	West Bengal	28725	29289	32234
19.	Jharkhand	—	—	—
20.	Chhattisgarh	—	122	—
21.	Uttaranchal	—	1106	2415
22.	Andaman & Nicobar Islands	755	1009	1881
23.	Daman & Diu	690	615	783
	<b>Total</b>	<b>882241</b>	<b>756671</b>	<b>765838</b>

**Tea Industry in Assam**

2692. SHRI RAMESH CHENNITHALA:  
SHRI G. PUTTA SWAMY GOWDA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the tea industry in Assam has suffered a major setback due to violence;

(b) if so, the estimated losses to the Tea industry due to violence against people of other States and particularly people from Bihar; and

(c) the steps Government propose to take to ensure tea industry does not suffer huge losses?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) to (c) The Tea Industry in Assam has not suffered any major setback due to the recent ethnic violence. There was no production loss in the industry due to such incidents, through there has been temporary disturbance in the movement of tea.

This is a law and order problem of the State. The State Government has taken adequate steps to curb the ethnic violence and to protect the life and property.

**Revenue from Fabrics**

2693. SHRI C.P. RADHAKRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) the revenue earned by the Government from the processing of mixed cotton knitted fabrics and 100 percent knitted polyester sector during 2001-2002 and 2002-2003; and

(b) the steps taken by the Government to boost both the sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Separate data on excise revenue collected from the processing of mixed cotton knitted fabrics and 100 percent knitted polyester sector is not maintained by the Department. However, the total excise revenue earned by the Government on all knitted fabrics is as follows:

(i) 2001-2002: Nil.

(ii) 2002-2003: Rs. 15.67 Crores.

(b) In Budget 2003, moderate rate of excise duty of 100% was prescribed on fabrics. In order to encourage modernization, customs duty on specified textile machinery & parts thereof, for knitting sector, was reduced from 25% to 5%.

**Restructuring of State Finance Corporation**

2694. SHRI CHINTAMAN WANAGA: Will the Minister of FINANCE be pleased to state:

(a) whether a review of the State Finance Commissions operations for 2000-2005 and the need for restructuring thereof was undertaken by the Gupta Commission;

(b) if so, the details thereof;

(c) whether Government of Maharashtra has made request for restructuring the Maharashtra State Finance Commission; and

(d) if so, the steps taken/proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) A Committee headed by Shri G.P. Gupta, the then Chairman & Managing Director, IDBI looked into the functioning of State Financial Corporations (SFCs) and submitted a report recommending, *inter-alia*, financial, operational and organizational restructuring of SFCs.

(c) Government of Maharashtra had requested the Central Government to accept the recommendations of Gupta Committee.

(d) The Report was sent to various State Financial Corporations (SFCs) for taking immediate action on recommendations that do not involve any financial support, such as, operational and organizational restructuring. Being the state entities, the State Governments are the principal stakeholders in the SFCs. Hence, they are expected to consider steps for improving the performance and recapitalisation of SFCs. State Governments have been suggested that in order to attract long term refinance from Financial Institutions, SFCs should improve recovery of their NPAs and re-establish their financial viability. State Governments have also been suggested to consider recapitalising their respective SFCs on the lines of Gupta Committee recommendations.

However, keeping in view the importance of the SFCs, especially, for the SSI Sector, in various states the Government in consultation with Small Industries Development Bank of India (SIDBI) has recently formulated a financial package for revitalization of the SFCs. The Package envisages that those SFCs which enter into a Memorandum of Understanding (MoU) with SIDBI along with the respective State Governments would be eligible for following reliefs/concessions:

- (1) Reduction in the rate of interest on outstanding refinance/Line of Credit by 2% p.a.
- (2) A Rebate of 2% in the Rate of Interest for all future refinance/Line of Credit; and
- (3) A Moratorium of One Year for Repayment of existing dues.

#### **US Regulations for Indian Food Products**

2695. SHRIMATI MINATI SEN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether US is formulating new regulations under the Bio-terrorism Act which will make it mandatory for Indian food products exporters to get a mandatory registration from USFDA;

(b) if so, whether the new regulations would require Indian firms that manufacture, process, pack or hold food for human or animal consumption in the US to get their facilities registered with the USFDA;

(c) if so, whether exports of Basmati Spices and even ready-to-eat packaged food products from India would be affected by this new regulations; and

(d) if so, the remedial measures proposed to be taken to face the situation?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) United States has introduced new regulations for registration of food facilities which has come into force with effect from 12th December, 2003 following the adoption of the Public Health Security and Bio Terrorism Preparedness and Response Act of 2002 (Bio-Terrorism

Act). This Act requires all domestic and foreign facilities that manufacture, process, pack, distribute, receive or hold food for consumption by humans or animals in the US to register with the US Food and Drug Administration.

(c) and (d) It is pre-mature to assess the impact of new Regulations on exports of Indian products including basmati, spices and ready-to-eat packaged food products to USA.

#### **Amendments In the IPC**

2696. SHRI RAMSINH RATHWA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government has studied the judgement of Hon'ble High Court dated 19th May 2003 directing the Union Government for making suitable amendments in sections 406 and 498A of IPC; and

(b) if so, the steps the Government has taken or proposed to take up for bringing amendments in the proposed sections?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) and (b) The Criminal Law (Amendment) Bill, 2003 which, inter-alia proposes to make the offence under Section 498 A of Indian Penal Code, as compoundable one, has been introduced in the Rajya Sabha on August 22, 2003.

#### **Amendment to the Notaries Act**

2697. SHRI V.S. SIVAKUMAR:  
SHRI T. GOVINDAN:  
SHRI KODIKUNNIL SURESH:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government propose to make necessary recommendation and amendments to the Notaries rules to enhance the number of Notaries from 375 to 1000 based on the request from the State Government of Kerala.

(b) if so the details thereof;

(c) whether the Government has initiated steps to accord sanction for the proposal for computerization of the official language (Legislation) Commission at the expenses of Government of India as proposed by the State Government of Kerala; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) and (b) There is no such proposal. The maximum number of notaries fixed for the State of Kerala is 750 out of which 375 can be appointed by the State Government and 375 by the Central Government. The request of the State Government of Kerala for enhancement of the number of notaries to 1000 was examined and it was not found feasible to do so, as the quotas for number of notaries in various States/Union territories have recently been fixed for the purpose of uniformity throughout the country.

(c) No, Sir.

(d) Does not arise.

**Violation of Rules by Co-operative Thrift and Credit Societies**

2698. SHRI RAJ NARAIN PASSI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many Co-operative Thrift and Credit Societies having membership of more than 20,000 are violating the RBI guidelines as well as Income Tax Rules in the grab of Co-operative Rules and Act;

(b) if so, whether the RBI (Reserve Bank of India) also keeps a watch on the working of co-operative thrift and credit society by calling information from the concerned authorities;

(c) if so, the details thereof; and

(d) the number of such cases where RBI has taken action against such co-operative societies who have flouted RBI guidelines during the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The information is being collected and, to the extent available, will be placed on the Table of the House.

**Funds under TSP to Manipur State**

2699. SHRI HOLKHOMANG HAOKIP: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) the amount provided by the Union Government under Tribal Sub-Plan for the State of Manipur during each of the last year;

(b) whether the amount so provided by the Union Government was placed and discussed by the Hill Areas Committee for sectoral allocation as per article 372 (c) of the constitution;

(c) if so, the details in this regard; and

(d) the name of the agency who is responsible for management of the fund as nodal authority?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) The Ministry of Tribal Affairs has released the following amount of the Government of Manipur under various schemes to the Ministry during the years 2000-2001 to 2002-2003:

(Rs. in lakhs)	
Year	Amount
2000-2001	2052.95
2001-2002	1800.02
2002-2003	2155.78

(b) The relevant article under the Constitution in respect of the State of Manipur is Article 371-C. As reported by the State Government of Manipur, Sectoral/Scheme-wise allocation of amounts were discussed and approved by Work Advisory Board for Scheduled Tribes in the Tribal Development Department and not by Hill Areas Committee.

(c) Does not arise.

(d) Tribal Development Department of the State Government is the Nodal department for implementation of schemes/programmes.

**Hire Purchase Act**

2700. SHRI SHRIPRAKASH JAISWAL: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Hire Purchase Act which was passed by the Parliament in the year 1971 and assented to by the President of India has not been notified so far despite lapse of several decades;

(b) if so, the reasons therefor;

(c) the details of other Central Acts which are awaiting Notification by the Government; and

(d) the steps taken by the Government to notify such acts without further delay particularly the Hire Purchase Act?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) A notification was issued on 30th April, 1973 to bring the Hire-purchase Act, 1972 into force on 1st June, 1973. Later, another notification was issued on 31st May, 1973 superseding the notification of 30th April, 1973 and proposing to bring the Act into force on 1st September, 1973. Since several representations were received from the public against the bringing of the Act into force, it was then decided not to enforce the Act and accordingly a notification rescinding the notification dated 31st May, 1973 was issued on 30th August, 1973. In its report on Personal Property Security Law (1977), the Banking Law Committee appointed by the Reserve Bank of India has proposed certain far reaching amendments to the Act. Accordingly, a Bill titled the Hire-purchase (Amendment) Bill, 1989 to amend the said Act of 1972 was introduced in the Rajya Sabha on the 5th May, 1989. The said Bill was referred to Parliamentary Standing Committee on Home Affairs and the said Committee recommended in depth examination of the whole issue of the Hire-Purchase. Consequently, the said Bill was withdrawn and the subject matter was referred to the Law Commission of India for an in depth examination. The Law Commission of India in its 168th Report has recommended extensive amendments in the said Act and the said Report is under examination.

(c) and (d) Acts of Parliament are brought into operation by different administrative Ministries/Departments of Government of India concerned with the subject matter of the individual Acts. However, Legislative Department has identified about 40 Acts of Parliament which have not been brought into operation either partly or fully. The concerned administrative Ministries have to take a policy decision dependent upon their administrative preparedness to bring the individual Acts into force. In view of reply to part (b), the question of bringing the Hire-purchase Act, 1972 into force now does not arise.

#### Coaching to ST Students

2701. COL. (RETD.) DR. DHANI RAM SHANDIL: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) the number of scheduled tribes candidates imparted pre examination training for civil services examination during each of the last three years, State-wise;

(b) the total amount spent on this training; and

(c) the percentage of successful candidates in above examination during the aforesaid period?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) and (b) The information as to the number of scheduled tribe candidates imparted pre-examination training for Civil Services Examination and the amount released on the training of the candidates during the last three years, State-wise, is given in the statement enclosed.

(c) The information is being collected and will be laid on the Table of the House.

#### Statement

(In Rs.)

S.No.	Name of the State/UT/University/NGO	2000-01*		2001-02		2002-03	
		No. of Candidates	Amount Released	No. of Candidates	Amount Released	No. of Candidates	Amount Released
1	2	3	4	5	6	7	8
1.	Andaman & Nicobar	—	—	30	1,36,500	—	—
2.	Karnataka	—	—	40	1,71,375	31	1,34,425
3.	M.P. Bhoj University Madhya Pradesh	—	—	90	7,71,750	—	—
4.	Delhi Edu. Centre, Delhi (NGO)	—	—	80	7,13,500	65	5,91,000
5.	Orissa	—	—	20	84,000	40	1,61,500

1	2	3	4	5	6	7	8
6.	Motilal Nehru Reg. College, Allahabad (UP)	—	—	0	0	15	63,000
7.	Gujarat	—	—	0	0	—	—
8.	Chanakya Academy, Delhi.	—	—	0	0	30	1,19,000
9.	Himachal Pradesh University	—	—	0	0	20	1,54,500
10.	H.N. Bahuguna University (UP)	—	—	0	0	45	2,67,000
11.	Tamil Nadu	—	—	0	0	2	19,500
12.	Assam	—	—	0	0	30	1,12,250
13.	Andhra Pradesh	—	—	0	0	46	1,93,225
<b>Total</b>		—	—	260	18,77,125/-	324	18,15,650/-

\*The scheme was transferred from M/o Social Justice & Empowerment to the Ministry of Tribal Affairs during 2000-2001. There were no proposals exclusively for ST candidates during 2000-01 and hence no amount was released.

[Translation]

[English]

#### Funds to States under Non Plan Schemes

2702. DR. MAHENDRA SINGH PAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are considering to allocate funds to the States under non-plan schemes keeping in view the pitiable financial condition of the States specially the newly formed States as a result of which youths are facing the problem of unemployment;

(b) if so, the details thereof;

(c) whether the Government propose to give some special financial assistance to Uttaranchal under non plan schemes; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

#### Onion Export Quota

2703. SHRI ASHOK N. MOHOL:  
SHRI PRAKASH V. PATIL:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Maharashtra State Agricultural Marketing Board (MSAMB) has been allowed to handle only 20 percent of the onion export quota early this year despite its potentiality to handle much more;

(b) if so, the facts thereof;

(c) whether the Government has received representation from MSAMB to enhance the onion export quota; and

(d) if so, the action the Government has taken on the request?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY

AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (d) As per extant EXIM Policy, the export of onion is free and is canalized through National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and other State Trading Enterprises (STEs) including MSAMB. No quota has been assigned during the current financial year and each agency is free to export any quantity of onion.

#### Higher Grade Assistant Examinations in LIC

2704. DR. (SHRIMATI) SUDHA YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether the Government/LIC has received complaints regarding irregularities in promotions of 'Assistant' to 'Higher Grade Assistant' in LIC;

(b) if so, the details thereof during the last three years; and

(c) the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No complaints have been received alleging serious procedural irregularities in the promotion of 'Assistant' to 'Higher Grade Assistants'. However, a few routine representations from employees against non-promotion have been received by LIC.

(b) and (c) The representations are examined by LIC on merit, as and when received and remedial action taken wherever required.

#### Foreign Investment in Dabhol

2705. SHRI KIRIT SOMAIYA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware about the huge liability of more than Rs. 15,000 crore and compensation due to proposed termination of the contract with Dabhol Power Company;

(b) whether there is possibility of foreign investment in the form of additional equity;

(c) if so, whether the Government is planning to invite additional foreign investment for diversification of the activities of the company;

(d) if so, the details in this regard; and

(e) the manner in which the loss/burden will be mitigated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No liability has been incurred by Government of India so far on account of the Dabhol Power Company.

(b) and (c) No foreign investor has approached Government of India with any proposal for either additional equity or diversification of the activities of the Dabhol Power Company.

(d) and (e) Does not arise in view of what has been stated above.

#### Supply of Sugar to Rajasthan

2706. DR. JASWANT SINGH YADAV: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the requirement of sugar in Rajasthan and the quantity of sugar supplied to the State during each of the last three years and as on date;

(b) whether there is a gap between demand and supply; and

(c) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (c) The allocations of levy sugar for distribution through the Public Distribution System made to Rajasthan on the basis of norm of 500 gms per capita per month to BPL (Below Poverty Line) families as per population on 1.03.2000 are:

Sugar season (October-September)	Quantity in lakh tonnes
2000-2001	1.48
2001-2002	0.98
2002-2003	0.98
2003-2004 (upto December, 2003)	0.22

There is no restriction on the interstate movement of levy free sugar.



**Remuneration System for Brokers and Agents in Insurance Business**

2707. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory Development Authority of India (IRDA) constituted an expert committee to look into the remuneration system for brokers and agents in the General Insurance Business;

(b) if so, the existing norms with regard to the payment of discount in view of agency commission in remuneration to policy holders;

(c) the reasons for reviewing the existing norms and whether the report of the expert committee has been finalized; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) As per the existing norms, for directly placed business of Government and PSUs, 5% discount on basic tariff premium is applicable in lieu of brokerage. In respect of the businesses of other insured such as companies with paid up capital of Rs. 1 crore & above and cooperatives with paid up capital of Rs. 5 lakhs & above, the insurers can choose to place their business directly for availing 5% discount on premium or through brokers/intermediaries for which brokerage in the range of 5%-12.5% is permissible depending upon the size of paid up capital. The discount of 5% is required to be shown on the face of the policy.

(c) and (d) On the basis of the representation received by Insurance Regulatory Development Authority (IRDA), an Expert Committee was set up by the Authority to examine, inter alia, the issue of remuneration system for intermediaries and discount offered in lieu of commission. The Expert Committee has since submitted its report on 12th December, 2003.

*[Translation]*

**Action Plan for Handmade Carpets**

2708. SHRI Y.G. MAHAJAN: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has formulated an action plan for the promotion of handmade carpet industry in the country;

(b) if so, the details thereof; and

(c) the share of the country in the international market of handmade carpets?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Government provides financial assistance to the Carpet Export Promotion Council (CEPC) a National autonomous body of carpet exporters which has been set up to take various measures to promote and develop the carpet industry for enhancement of export. These measures include: organization of buyer-seller's meet; overseas publicity; organisation of workshops on design development; export marketing and packaging etc; participation in various international fairs; sponsoring of sales-cum-study teams abroad and organisation of Carpet Expo's (Autumn and Spring) annually in New-Delhi.

The Government also implements a number of scheme to promote handmade carpet industry in the country. The scheme include: Design and Technology Upgradation; Training & Extension; Research and development and recently launched 'Baba Saheb Ambedkar Hastshilp Vikas Yojana' (AHVY) which seeks to develop selected artisans clusters into professionally managed self reliant enterprises working on the principle of effective member participation and mutual cooperation and aims to achieve sustainable development of the artisan cluster.

Besides an Indian Institute of carpet Technology (IICT), has been established at Bhadohi with a view to provide Human Resource Development, Research and Development and Common Facility Centre services to the carpet industry. Under the UNDP assisted Carpet Project assistance has also been provided to various agencies to develop new design, development of tools, looms and equipment, promotion of natural dyes, strengthening of IICT, Bhadohi and participation in domestic/international fairs by Carpet Export Promotion Council (CEPC) New Delhi.

(c) The share of the country in the international market of handmade carpets is around 18%.

*[English]***Problems of Foodgrain Exporters**

2709. SHRI MOHAN RAWALE: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether foodgrain exporters are facing problems due to delay in FCI stock delivery and inadequate rake availability;

(b) if so, the details thereof; and

(c) the steps taken by the Government to make timely availability of grains from FCI and rakes for transportation from Railways?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) to (c) FCI offers foodgrain stocks from the Central Pool to the exporters who obtain Release Orders for the same.

The Railway rakes for transportation of foodgrains for export are provided as per the indents registered, on their turn and priority. However, preference is given for the transportation of foodgrains for Public Distribution System and other welfare schemes. There is no delay in delivery of stocks on part of the FCI.

**Special Economic Package to J&K**

2710. SHRI ABDUL RASHID SHAHEEN: Will the Minister of FINANCE be pleased to state:

(a) whether continuous terrorist attacks in Jammu and Kashmir and skirmishes on the line of control for the last two decades have adversely affected the economic resources and income sources of the State, which has badly hit the economic structure of Jammu and Kashmir;

(b) if so, the reaction of the Government in this regard;

(c) whether the Government are considering to provide special economic package on the lines of North-Eastern States and Punjab to Jammu and Kashmir;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) to (e) Prime Minister during his three visits to J&K on 23.5.2002, 19.4.2003 and 29.8.2003 has announced a special economic package for economic reconstruction in Jammu and Kashmir. This includes Rs. 6000 crores for "employment, rail and road development, relief & Security"; creation of at least one lakh employment and self employment opportunities in J&K over the next two years, revival of tourism, completion of power projects, construction of Basholi Bridge, drinking water project for Kandi area, setting up of Community Information Centres etc.; grant of Rs. 30 crores for University of Jammu, release of additional amount of Rs. 20 crores for drinking water supply in Kandi area, laying of transmission line from Srinagar to Leh, release of one time grant of Rs. 45 crores for construction of building of 10 Kendriya Vidyalayas, to be implemented as Centrally Sponsored Schemes, Central Assistance to the State as well as non-plan assistance.

*[English]***Technical Assistance by ADB to Assam**

2711. SHRI M.K. SUBBA: Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Development Bank has cleared technical assistance for one million US Dollar grant to the Government of Assam to strengthen its budgeting and planning processes and to improve fiscal management of the State; and

(b) if so, terms of the grant sanctioned and the details of the technical assistance sought and given, indicating the schemes and programmes to be financed therewith?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The technical assistance (TA) is to be financed as 100% grant for capacity building in budget procedure reform and fiscal management. The TA is to strengthen Government of Assam's capacity to implement the Medium Term Fiscal Reform Programme (MTFRP) signed by the Government of Assam and the Government of India. The support through the TA would be for strengthening policy analysis and improving Management Information Systems to enable better expenditure control and management.

This would be through supporting (i) the establishment of a legislative framework for improving the State's fiscal management & fiscal reporting; (ii) improvement of the state's planning & budgeting process; (iii) strengthening of the state's expenditure management and control; (iv) improvement of public sector service delivery by supporting the preparation of a functional assessment of the state administration and the development and evaluation of options for its organizational restructuring and rightsizing; and (v) exploration and piloting of e-governance options for improving staff relations and procurement and disbursement processes.

#### **Sugar Development Fund**

2712. SHRI K. YERRANNAIDU: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the sugar development fund has failed to achieve its objectives;

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

(c) the remedial steps taken/proposed to be taken by the Government in this regard;

(d) the amount of accumulated balance in the sugar development fund as on date; and

(e) the details of loans including short term loan released from sugar development fund during each of the last three years; State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (c) The Sugar Development Fund has been applied for financing of activities for development of sugar industry and for matter connected therewith and incidental thereto in accordance with provision of the Sugar Development Fund Act, 1982.

(d) The balance in the Fund inclusive of repayment of loan and interest thereon, as on 30.09.2003 is Rs. 1,57,769.69 lakhs.

(e) A Statement is enclosed.

#### **Statement**

##### *Loans released from Sugar Development Fund since 2000-01 till date*

#### **I. Cane Development Loan**

(Rs. in lakhs)

S.No.	Name of the Sugar Mills	Amount Disbursed
1	2	3
<b>Andhra Pradesh 2000-01</b>		
1.	Varalaskhimi Sugars, Sankili Dt. Srikakulam	100.32 3.5.2000
2.	Ganpati Sugar Inds. Ltd., Dt. Medak	92.214 31.3.2001
<b>2000-03</b>		
1.	Ganpati Sugar Inds. Ltd., Dt. Medak	80.96 26.2.2003
<b>Gujarat 2003-04</b>		
1.	Shree Ganesh Khand Udyog Sahakari Mandli Ltd., Dt. Bharuch	46.575 3.11.2003

1	2	3
<b>Haryana 2001-02</b>		
1.	Piccadily Agro Industries Ltd., Dt. Karnal	57.51 28.3.2002
<b>2002-03</b>		
1.	Karnal Coop. Sugar Mills Ltd., Dt. Karnal	90.00 21.11.02
2.	Saraswati Sugar Mills Ltd., Dt. Karnal	57.59 26.3.03
<b>2003-04</b>		
1.	Piccadily Agro Industries Ltd., Dt. Karnal	54.35 23.5.2003
<b>Karnataka 2000-01</b>		
1.	Bannari Amman Sugars Ltd., Nanjangud-Distt.	111.32 30.3.2001
<b>Maharashtra 2000-01</b>		
1.	Shri Adinath SSK Ltd., Dt. Solapur	72.72 12.9.2000
2.	Malegaon SSK Ltd., Dt. Pune	113.76 14.11.2000
3.	Jawahar SSK Ltd., Dt. Kolhapur	101.79 22.2.2001
<b>2001-02</b>		
1.	Sanjivani Takti SSK Ltd., Dt. Ahmednagar	108.00 10.10.2001
2.	Sahakar Maharshi Swargiya Bapuraoji Deshmukh SSK Ltd., Dt. Wardha	106.73 15.1.2002
3.	Bhima Shankar SSK Ltd., Dt. Pune	102.12 30.3.2002
<b>2002-03</b>		
1.	Sanjivni (Takti) SSK Ltd., Dt. Ahmednagar	108.00 7.5.2002
2.	Sahakar Maharshi Shankarrao Mohite Patil SSK Ltd., Dt. Solapur	148.50 28.5.2002
3.	Vishwasrao Naik SSK Ltd., Dt. Sangli	95.74 13.8.2002
4.	Malegaon SSK Ltd., Dt. Pune	113.76 17.10.2002

1	2	3
5.	Sangamner Bhag Sahakari Sakhar Karkhana Ltd., Dt. Ahmednagar	83.745 25.10.2002
6.	Hutatma Kisan Ahir SSK Ltd., Dt. Sangli	192.28 28.11.2002
7.	Sri Sant Tukaram SSK Ltd., Dt. Pune	139.50 2.1.03
8.	Dudhganga Vedganga SSK Ltd., Dt. Kolhapur	133.75 6.3.2003
9.	Manjara SSK Ltd., Dt. Latur	100.75 10.3.2003
2003-04		
1.	Sangamner Bhag SSK Ltd., Distt. Ahmednagar,	73.395 23.5.2003
2.	Jarandeshwar S.S.K. Ltd., Dt. Satara	136.08 23.5.2003
3.	Sahakar Mahrishi SSK Ltd. Dt. Solapur	148.50 28.7.2003
4.	Sanjivani (Takli) SSK Ltd., Dt. Ahmednagar	57.60 11.9.2003
5.	Dnyaneshwar SSK Ltd., Tal. Newasa, Distt. Ahmednagar	63.00 20.10.2003
Madhya Pradesh 2003-03		
1.	Naval Singh SSK Maryadit, Distt. Khandwa	63.14 9.9.2003
Punjab 2000-01		
1.	Rana Sugars Ltd., Dt. Amritsar	88.83 23.6.2000
Tamil Nadu 2000-01		
1.	E.I.D. Parry (I) Ltd., Nellikuppam, Dt. South Arcot	60.46 17.11.2000
2001-02		
1.	Bannari Amman Sugars Ltd., Dt. Erode	70.31 31.12.2001
2.	EID Parry (I) Ltd., Pugalur	42.08 27.3.2002
3.	EID Parry (I) Ltd., Nellikuppam, Dt. South Arcot	22.98 28.3.2002

1	2	3	
<b>2002-03</b>			
1.	EID Parry (I) Ltd. Pudukottai District.	117.72 13.3.2003	
<b>Uttar Pradesh 2000-01</b>			
1.	Govind Nagar Sugars Ltd., Dt. Basti	94.24 16.6.2000	
2.	Gajaj Hindustan Ltd., Golagokarannath Unit, Dt. Lakhimpur-Kheri	34.86 7.12.2000	
<b>2002-03</b>			
1.	Shakumbari Sugars & Allied Inds. Ltd., Dt. Saharanpur	71.055 2.4.2002	
2.	Triveni Engg. & Inds. Ltd., (Gangeshwar Ltd.), Ramkola, Dt. Deoria	87.70 2.4.2002	
3.	J.K. Sugar (A Div. Of JK Inds. Ltd.,) Dt. Bareilly	82.00 23.10.2002	
4.	Monnet Inds. Ltd., Dt. Muzaffamagar	115.538 25.10.02	
<b>II. Short Term Loan</b>			
<b>Haryana 2000-01</b>			
1.	Naraingarh Sugar Mills Ltd., Distt. Ambala	50.00 22.5.2000	
<b>Tamil Nadu</b>			
<b>2000-01</b>			
1.	The Salem Coop. Sugar Mills Ltd., Namakkal-Dt.	49.95 16.6.2000	
<b>Uttar Pradesh 2000-01</b>			
1.	Sarjoo Sah. Chini Mills Ltd., Dt. Lakhimpur-Kheri	46.36 21.7.2000	
<b>III. Modernisation/Rehabilitation Loan</b>			
<b>Andhra Pradesh</b>			
<b>2001-02</b>			
1.	Kovur Coopt. Sugar Factory Limited Nellore	236.855 18.10.2001	236.855 10.12.2001
<b>2002-03</b>			
1.	Chodavaram Coopt. Sugar Factory Limited. Visakhapatnam	746.155 24.5.2002	746.155 15.7.2002

1	2		3
2.	Varalaxmi Sugars. Dt. Srikakulam	191.52 4.10.2002	191.52 28.3.2003
Bihar 2000-01			
1.	Eastern Sugar Inds. Ltd., Dt. East Champaran	668.50 22.11.2000	668.50 23.2.2001
2001-02			
1.	Upper Ganges Sugar & Inds. Ltd., (Unit Bharat Sugar Mills) Dt. Gopalganj	484.545 22.11.2001	484.545 22.2.2002
Haryana 2000-01			
1.	Picadilly Agro Inds. Ltd., Unit Bhadson, Dt. Kamal	355.61 22.11.2000	—
2001-02			
1.	Piccadilly Agro Inds. Ltd., Unit Bhadson, Dt. Kamal	355.61 23.7.2001	—
Karnataka 2001-02			
1.	Godavari Sugar Mills Ltd., Sameerwadi, Distt. Bijapur	470.00 31.3.2002	
2002-03			
1.	Godavari Sugar Mills Ltd., Sameerwadi, Distt. Bijapur	470.00 12.8.02	—
2003-04			
1.	Davangere Sugar Co. Ltd., Distt. Davangere	608.84 9.6.03	
Maharashtra 2000-01			
1.	Jawahar SSK Hupari Dt. Kolhapur	1200.00 30.3.2001	
2001-02			
1.	Jawahar SSK Hupari Dt. Kolhapur	1200.00 19.4.2001	
2.	Indapur SSK Ltd., Dt. Pune	895.70 7.8.2001 (I&II)	
3.	Tatyasaheb Kore Warna SSK Ltd., Dt. Kolhapur	246.00 21.9.2001	246.00 10.1.2002
4.	Chatrapati Sahu SSK Ltd., Kagal Dt. Kolhapur	296.02 8.1.2002	296.02 31.3.2002
5.	Mula SSK Ltd., Dt. Ahmednagar	467.85 28.2.2002	—

1	2	3	
6.	Terna Shetkari SSK Ltd., Dt. Osmanabad	898.62 27.12.2001	898.62 26.3.2002
7.	Dnyaneshwar SSK Ltd., Dt. Ahmednagar	366.902 31.3.2002	—
2002-03			
1.	Mula SSK Ltd., Dt. Ahmednagar	467.85 28.5.2002	—
2.	Ravalgaon Sugar Farm Ltd., Distt. Nasik	105.80 18.6.2002	—
3.	Dnyaneshwar SSK Ltd., Dt. Ahmednagar	446.902 9.9.2002	—
4.	Shri Vithal SSK Ltd., Venunagar, Dt. Solapur	393.20 11.7.2002	393.20 23.10.2002
5.	The Sanjivani Takli SSK Ltd., Shinganapur, Dt. Ahmednagar	379.404 24.7.2002	379.404 7.3.2003
6.	Shree Sidheshwar SSK Ltd.	632.2325 27.12.02	—
Tamil Nadu 2000-01			
1.	Sakthi Sugars Ltd., Sakthinagar, Dt. Erode	494.40 30.3.2001	—
2001-02			
1.	Sakthi Sugars Ltd., Sakthinagar, Dt. Erode	494.40 17.5.2001	—
2.	Bannari Amman Sugars Ltd,	775.39 8.1.2002	—
2002-03			
1.	Bannari Amman Sugars Ltd, Alathukombai, Dt. Erode	775.39 11.7.2002	—
2.	E.I.D. Parry (India) Ltd., Pugulur, Distt. Karur	201.71 28.3.03	—
Uttar Pradesh 2000-01			
1.	The United Provinces Sugar Co. Ltd., Seorahi, Dt. Kushinagar	1032.718 30.3.2001	—
2001-02			
1.	The United Provinces Sugar C. Ltd., Seorahi, Dt. Kushinagar	1032.718 19.7.2001	—
2.	The Pratappur Sugar & Industries Ltd.,	551.625 28.8.2001	551.625 2.1.2002



1	2		3
3.	Ghaghara Sugar Ltd., Dt. Lakhimpur Kheri	485.624 19.2.2002	—
4	Mawana Sugar Works, Dt. Meerut	381.738 17.1.03	—
2002-03			
1.	Ghaghara Sugar Ltd., Dt. Lakhimpur Kheri	485.624 19.6.2002	—
2.	Ramgarh Chini Mills, Distt. Sitapur	672.446 26.8.2002	672.446 14.1.03
3.	Mawana Sugar Works, Dt. Meerut	381.738 17.1.03	—
4.	Simbhaoli Sugar Mills Ltd., Dt. Ghaziabad	486.06 28.3.03	—
2003-04			
1.	Mawana Sugar Works, Dt. Meerut	381.738 5.5.03	—
2.	Simbhaoli Sugar Mills Ltd., Dt. Ghaziabad	486.06 24.6.03	—

### Disposal of Cases

2713. SHRI SHEESH RAM SINGH RAVI: Will the Minister of FINANCE be pleased to state:

(a) the number of cases pending disposal with different authorities as on date together with the amount of duty involved therein;

(b) the reasons for the delay in the disposal of those cases; and

(c) the steps taken/proposed to be taken to expedite the disposal of these cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSAO NAIK): (a) to (c) The information is being collected and will be laid on the Table of the House.

### New Grain Export Policy

2714. SHRI P. RAJENDRAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has formulated a new foodgrains export policy;

(b) if so, the salient features of the policy; and

(c) the impact of this policy on storage, procurement and public distribution system?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) and (b) The EXIM policy allows export of foodgrains without any restrictions, by all exporters as per their commercial prudence. In order to promote and facilitate exports from the Central pool stocks, certain Post-delivery expenses to cover upgrading, fumigation, handling, etc., are allowed to the exporters. An Inter Ministerial High Level Committee of the FCI makes suitable recommendations of the Government in this regard.

(c) The existing policy framework is aimed at promoting competition, efficiency and investments in these sectors.

### Investment in LIC

2715. SHRI A. BRAHMANAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether LIC has decided not to invest the Varishtha Bima Yojana plan proceeds in equities;

(b) if so, the reasons therefor; and

(c) the directives of the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) For investment of the premium received from Varishtha Pension Bima Yojana, LIC has to follow the investment pattern as per the Insurance Regulatory and Development Authority (Investment) Regulations. The Life Insurance Corporation of India has informed that, for the present, they have not invested any amount under this plan in equities.

#### **Procurement of Rice**

2716. SHRI RAM MOHAN GADDE:  
DR. M.V.V.S. MURTHI:  
SHRI RAMESH CHENNITHALA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Andhra Pradesh Government has demanded increase in the levy percentage for paddy for 50 to 75% to procure sufficient quantity of rice for the State;

(b) if so, the details thereof; and

(c) the action taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) and (b) The Government of Andhra Pradesh has requested that the percentage for delivery of levy rice by millers/dealers to the Central Pool under the State Levy Order may be increased from the existing 50% to 75%.

(c) The request of the State Government has not been accepted by the Central Government. However, the State Government has been allowed to deliver an additional quantity of 1.5 lakh MTs of levy rice in excess of 50% levy during the current Kharif Marketing Season 2003-04.

#### **Movement of Rice**

2717. DR. M.V.V.S. MURTHI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Andhra Pradesh Government has requested the Union Government for movement of raw rice to Andhra Pradesh from North India;

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

(c) the action taken by the Union Government on the request of the State Government?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) and (b) Yes, Sir. A request has been received from the State Government for dispatching 70,000 MTs of raw rice from North India to meet the requirement for PDS and other Welfare Schemes.

(c) The FCI has been instructed to take necessary action immediately to move adequate quantity of good quality rice to Andhra Pradesh State to meet the requirements of the State Govt. under PDS and Other Welfare Schemes.

#### **Upgradation of Offices of LIC**

2718. SHRI SADASHIVRAO DADOBA MANDLIK:  
SHRI C.N. SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation of India has begun a country-wise exercise to upgrade existing technology and to provide a face lift to all its existing offices;

(b) if so, the details thereof;

(c) the amount being invested in this regard alongwith the time schedule for its completion; and

(d) the other steps taken by the Government to provide the best service to the customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The Life Insurance Corporation of India (LIC) has informed that after computerising all branches they have already networked 1909 branches and 1847 branches are on Wide Area Network. Migration to LINUX MF Cobal from LINUX has also been completed in all the Branches. In addition to opening of infocentres and information kiosks, LIC is also implementing alternate premium payment channels like payment through internet, premium collection kiosks etc.

(c) The face lifting of branch offices is being carried out at an average estimated cost of Rs. 25 lac per branch and the cost for face lifting of Corporate Office is about Rs. 1500 lac and are to be completed by April, 2004.

(d) The LIC has informed that some of the major steps taken by them to provide best service to the customers include Computerisation, Wide Area Network, Green Channel Facility, Single Window System and Payment of Premiums electronically etc.

#### **Assistance from Japan**

2719. SHRI AMBAREESHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Karnataka Government has forwarded a proposal to the Union Government for providing modern treatment, research facilities and improved standard of medical education with financial assistance from Japan under the Japanese International Co-operative Agency;

(b) if so, the present status of the proposal; and

(c) the steps taken by the Union Government to get the proposal cleared from Japan Government for financial assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) A proposal namely Improvement of Mother and Child Health Programme for Bangalore Medical College and attached teaching hospitals was posed to Government of Japan on 28.5.2001. This is being pursued with the Government of Japan for their response.

Another proposal of Government of Karnataka namely Improvement of Medical facilities at Indira Gandhi Institute of Child Health has been received in Department of Economic Affairs. Support of the Ministry of Health and Family Welfare to the project has been received recently.

#### **Software Export to Japan**

2720. SHRI IQBAL AHMED SARADGI: Will the Minister of FINANCE be pleased to state:

(a) whether to give the right push to Indian software exports to Japan, Indian Inc has urged the Government to take up the problems it faces with the Japanese authorities;

(b) if so, whether one of the problem is that the intricate tax structure and they have suggested that the tax laws and tax treaty should be turned; and

(c) if so, the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir.

(c) The issue has been taken up and is under discussion between the competent authorities of Japan and India under the provisions of the DTAC (Double Taxation Avoidance Convention) signed with Japan.

#### **Guidelines regarding Public Premises**

2721. SHRI AJIT KUMAR PANJA:  
SHRI AJOY CHAKRABORTY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is necessary to take the guidelines dated February, 1992 and January 1, 2001 under O.M. regarding Public Premises (Eviction of Unauthorised Occupants) Act, 1971 issued by the Government in the Board of respective PSUs such as LIC, Banks etc., for its adoption to follow and apply;

(b) if so, whether such guidelines were taken up in the Board of LIC;

(c) if not, the reasons therefor; and

(d) the action the Government has taken to ensure that the guidelines are strictly followed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Department of Public Enterprises (DPE) O.M. dt. 08.04.1991 provides discretion to the Boards of directors of Public Sector Undertaking to adopt or not to adopt the guidelines for reasons to be recorded in writing. The Life

Insurance Corporation of India has been told to formulate broad guidelines to deal with their estate matters, which is in tune with the guidelines issued by the Government and the judgments delivered by the Hon'ble High Courts/ Supreme Court.

#### **Impairment of Assets of Companies**

2722. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to create an according standard on impairment of assets of the companies;

(b) if so, the details thereof;

(c) whether the Government has studied its impact on the assets intensive companies and the companies that are heading towards the BIFR; and

(d) if so, the details thereof indicating its impact on the above said companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JASWANT SINGH): (a) and (b) The Institute of Chartered Accountants of India (ICAI) has issued Accounting Standard (No: As 28) on Impairment of Assets, which comes into effect in respect of accounting periods commencing from 1.4.2002, for certain large enterprises, and on or after 1.4.2006/1.4.2008 for certain other enterprises. The objective of this standard is to ensure that the value of the assets reflected are close to the recoverable amounts.

(c) and (d) No specific study on the issue has been commissioned by the ICAI. However, the Accounting Standards are finalized by the Accounting Standard Board (ASB) of the ICAI, which has representatives from industry associations, and other stake-holders such as the C&AG, IDBI, CDBT and SEBI. Accounting Standards are finalised in consultation with them.

#### **Extension of Bombay Clearing Scheme to Kalyan Complex**

2723. SHRI RAMSHETH THAKUR: Will the Minister of FINANCE be pleased to refer to reply given to Unstarred Question No. 715 on July 21, 1989 regarding Extension of Bombay Clearing Scheme to Kalyan Complex and state:

(a) whether the Committee constituted by the President of the Bombay Bankers' Clearing House had submitted its report;

(b) if so, when;

(c) the details of suggestions made by the committee; and

(d) the action so far taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The Committee constituted by the President of the Bombay Bankers' Clearing House and submitted its report on December 19, 2002.

(c) and (d) The committee recommended extension of Two way clearing to Titwala, One way clearing to Uran and for retaining the status quo ante for Khopali (one way clearing). These recommendations have been implemented by Reserve Bank of India.

[*Translation*]

#### **Credit to SSIs**

2724. SHRI RAMJI LAL SUMAN:  
SHRI NAWAL KISHORE RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Naik Committee constituted in connection with making credit available to the small scale sector has presented its report to the Government;

(b) if so, the main recommendations made by the committee; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India (RBI) constituted a Committee in the year 1991 under the Chairmanship of Shri P.R. Nayak, the then Deputy Governor, RBI to examine the adequacy of institutional credit to the small-scale industries (SSIs) in the country and other related issues. The Committee in its report, submitted to RBI, made *inter-alia*, the following recommendations:

- (1) Priority sector reckoning to entire SSI sector.
- (2) Preferential treatment for village and smaller tiny units making use of working capital efficiently.

- (3) Computation of working capital requirements of SSI units on the basis of simplified method of minimum 20% of the projected annual turnover of the unit for borrowal limits up to Rs. 1 crore.
- (4) Commercial banks to open specialized or dedicated branches in other areas of high small industry density ranging between 1000 to 2000 registered SSI units.
- (5) Adequate discretionary powers to the Branch Managers to meet unforeseen contingencies including escalation in raw material/input cost.
- (6) Banks to adopt 'Single Window' scheme in full earnest.
- (7) Revised definition for classification of sick SSI units.
- (8) Effective rehabilitation packages for those sick SSIs, which have been identified as potentially viable.
- (5) Increase in the exemption limit for all SSI borrowal accounts for obtention of collateral security for loans from the existing Rs. 15 lakhs to Rs. 25 lakhs based on good track record and financial position of SSI units.
- (6) Banks have been advised to dispose off applications for loans up to Rs. 25,000/- within 2 weeks and for higher amount, within 4 weeks provided the loan applications are complete in all respect and accompanied by a checklist.
- (7) To address the incidence of sickness in SSI Sector, RBI has issued a complete set of revised guidelines in January, 2002; and
- (8) Banks have been instructed to impart necessary training programmes for the branch level officials to sensitize and to bring about attitudinal change towards the needs of SSI Sector.

[English]

#### Recommendation of Fifth Pay Commission

(c) With a view to implement the above recommendations of Nayak Committee, Government had announced a Seven Point Action Plan in the Union Budget 1995-96. RBI also implemented the recommendations of Nayak Committee pertaining to it. In addition, the following measures have also been initiated for augmenting the credit flow to SSI Sector:

- (1) Enhancement of working capital loan (computed on the basis of minimum of 20% of annual projected turnover) to Rs. 5 crores;
- (2) Banks to ensure that out of their total funds lent to SSI Sector, at least 40% should be made available to units with investment in plant and machinery up to Rs. 5 lakhs and 20% should be made available to units with investment in plant and machinery between Rs. 5 lakhs and Rs. 25 lakhs so as to ensure that 60% earmarked for SSI Sector should go to small units in tiny sector;
- (3) Banks have been advised to open at least one Specialised SSI Branch in each district. Further Banks have also been permitted to categorize their general branches having 60% or more of their advances to SSI Sector as specialized SSI Branches.
- (4) Banks were advised to enhance the composite loan limit from Rs. 25 lakh to Rs. 50 lakh.

2725. SHRI G. PUTTA SWAMY GOWDA: Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that a number of recommendations of Fifth Pay Commission have not been implemented in many Central Government offices;
- (b) if so, the reasons therefor;
- (c) whether the second financial upgradation is not being given to the employees even though they have completed 24 years of service;
- (d) if so, whether the Government propose to take suitable action in this regard to remove the anomalies and to protect the interests of Central Government employees; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Some of the accepted recommendations of Fifth Pay Commission could be implemented subject to certain pre-conditions being fulfilled. Concerned offices of Central Government some times refer cases of this nature to the nodal ministry for clarifications.

(c) Financial upgradations under ACP Scheme are subject to fulfillment of certain specified conditions. Employees have to fulfill these conditions for financial upgradations under this Scheme. Department of Personnel & Training being the nodal department for this scheme has not received any reference/complaint suggesting that the ACP Scheme has not been implemented in any Central Government Office.

(d) and (e) Does not arise.

#### **Fundamental Rights**

2726. SHRI PRABODH PANDA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether any proposal is under consideration of the Government to make work, education and health and fundamental rights.

(b) if so the details thereof; and

(c) the time by which a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) Article 21A of the Constitution of India relating to Right to Education inserted by the constitution (Eighty-Sixth Amendment) Act, 2002, provides for free and compulsory education to all children of the age of 6 to 14 years. However, no proposal is under consideration of the Government to make work and health as Fundamental Right.

#### **Review of Development Plans for STs**

2727. SHRI A. NARENDRA: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Government has conducted a review of development plans and programmes which are implemented for Scheduled Tribes in the Tenth Plan;

(b) if so, the findings thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) to (c) Specific review of the of the development plans and programmes implemented for scheduled tribes in the Tenth Plan has not been conducted. Review of these plans and programmes is

undertaken during mid term review of the Tenth Plan period.

#### **Reservation Policy for SCs/STs and OBCs**

2728. SHRI RATTAN LAL KATARIA:  
SHRI P.D. ELANGOVAN:  
SHRI ANANTA NAYAK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has provided adequate job opportunities for the persons belonging to SCs/STs and Other Backward Communities in the various public sector Banks and FIs;

(b) if so, the details thereof;

(c) whether in most of the instances the staff strength of these categories is far less than what it should be in corresponding to the total strength;

(d) if so, the details thereof Group-wise and the reasons therefor; and

(e) the remedial measures taken by the Government to provide adequate representations to these categories in respect of job opportunities and promotions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) In order to provide adequate job opportunities for the persons belonging to Scheduled Castes (SCs/(Scheduled Tribes (STs) and Other Backward Classes (OBCs) in the various Public Sector Banks (PSBs) and Financial Institutions (FIs), the Government of India has made reservations in jobs to the persons belonging to these categories. In direct recruitment made on all India basis, PSBs and FIs are extending reservation of 15%, 7.5% and 27% for SC/ST and OBC categories respectively. Wherever direct recruitment is made on a state wise basis, reservation is extended to SC/ST/OBC category on the percentage stipulated for the reserved categories in the respective states.

(c) and (d) As per the annual review reports about implementation of reservation policy by PSBs and FIs, the prescribed percentages of SCs/STs/OBCs were completed in some cases, while there is till some shortfall in other cases. the group-wise representation of SCs/STs and OBCs is given in the statement enclosed. The reasons for shortfall of SCs/STs and OBCs include:

- (i) Certain loss making banks had signed Memorandum of Understanding (MOU) with Reserve Bank of India which stipulated non-filling of fresh vacancies for some period.
- (ii) Non-availability of sufficient ST candidates in many states.
- (iii) Difficulty encountered in getting suitable reserved category candidates for specialized posts.
- (iv) Non reporting of some selected reserved category candidates on their appointment to various posts.
- (v) Introduction of reservation for Other Backward Classes in direct recruitment only from September, 1993 and reckoning the OBC employees for the purpose of reservation recruited after September, 1993.
- (vi) 50% ceiling on the number of vacancies to be filled on the basis of reservations in any year including carried forward reservation imposed by the Supreme Court in the case of Indira Sawhney versus Union of India.

(e) Upto 1997, Special drives were conducted by banks to weed out the past backlog of unfilled vacancies. In September, 1997 Department of Personnel & Training (DOP&T) issued instructions that the number of vacancies to be filled on the basis of reservation in a year including in PSBs/FIs were discontinued. DOP&T later on revised its instructions that the ceiling of 50 per cent on filling up of reserved vacancies would apply only on reserved vacancies which arise in the current year and backlog/carry forward reserved vacancies for SCs/STs of earlier years would be treated as a separate and distinct group and would not be subject to this ceiling. In view of this, banks have been advised to make concerted efforts to fill up the backlog vacancies.

**Statement**

Category	Total No. of Employees	SC	ST	OBC
Officers	219639	32346	11581	3819
Clerks	372186	59411	18229	11026
Sub-Staff	149523	38328	9333	8943

**Consumer Clubs**

2729. SHRI KOLUR BASAVANAGOUD: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has requested the Karnataka Government to organize awareness programme including setting up of Consumer Clubs;

(b) if so, the details thereof;

(c) the number of educational institutions identified in Karnataka for setting up of Consumer Clubs; and

(d) the amount sanctioned during 2003-04 therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) Yes, Sir. The State Government of Karnataka has been requested on 14.7.2003 to implement the recently formulated Scheme of setting up of Consumer Clubs in the Schools to create awareness among the school children about the rights of the consumers and to mobilize youngsters by instilling in them the spirit of protection of consumer rights. As per the Scheme, financial assistance amounting to Rs. 10,000/- is admissible for each Consumer Club.

(c) No proposal has been received from the Government of Karnataka or any educational institutions in Karnataka for sanction of grant for setting up of Consumer Clubs.

(d) No amount of grant has so far been sanctioned to any institution for setting up of Consumer Clubs.

**Dividends to Stock Holders of Banks**

2730. SHRI P.S. GADHAVI:  
SHRI PRABODH PANDA:  
SHRI AJAY CHAKRABORTY:  
SHRI SULTAN SALAHUDDIN OWAISI;  
SHRI NARESH PUGLIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has asked all the public sector banks to pay interim dividends;

(b) if so, the details thereof;

(c) the amount likely to be mobilized by the Government as interim dividend from public sector banks;

(d) the reasons for which the public sector banks have been asked to pay interim dividend;

(e) the dividend paid by public sector banks during the last fiscal year; and

(f) the reasons for less dividend announced by these banks during the year 2002-03 despite their improved NPA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a), (b) and (d) In view of the good performance of most of the public sector banks and expected growth in their net profit for the half year ending September, 2003 banks were asked to consider paying interim dividend on or before finalisation of accounts of quarter ending December, 2003.

(c) The amount will be known only after payment is made to the Govt.

(e) Nationalised banks paid an amount of Rs. 830.87 crore as dividend for the year 2002-03 as compared to Rs. 630.65 crores for the year 2001-02.

(f) does not arise in view of (e).

**Tribal Co-operative Marketing Development Federation**

2731. SHRI A. VENKATESH NAIK: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether Tribal Co-operative Marketing Development Federation has planned for procurement of major non nationalized Minor Forest Produce items from various States;

(b) if so, the details thereof;

(c) whether the purchasing centres in this regard have been finalized;

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

(e) whether any financial assistance has also been given to states particularly to Karnataka for this purpose; and

(f) if so, the details thereof?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) to (d) As per the amended Bye-laws of TRIFED the main object of the organization is to serve the interest of its members through self help and mutual cooperation for undertaking marketing development of the tribal products. Keeping in line with the mandate, the activities of the organization is not trading but marketing development of tribal products.

(e) and (f) Under the scheme of Grant-in-aid scheme of State Tribal Development Cooperative Corporation, funds are released to the States for procurement of Minor Forest Produce. Details of the funds released to the States during the last three years are given in the statement enclosed. However, no fund has been released to Karnataka during this period.

**Statement**

(Rs. in lakhs)

State	Year 2000-2001	Year 2001-02	Year 2002-03
1	2	3	4
1. Andhra Pradesh	150.00	520.00	480.00
2. Gujarat	150.00	—	—
3. Kerala	—	—	225.00
4. Meghalaya	—	47.00	100.00
5. Orissa	192.00	200.00	400.00



	1	2	3	4
6. Rajasthan		—	251.61	119.37
7. Maharashtra		350.00	200.00	—
8. Tripura		—	62.06	122.00
9. West Bengal		—	—	53.63

**Visit of European Commission President**

2732. SHRI V. VETRISLVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether President of European Commission has recently visited New Delhi;

(b) if so, whether any trade related talks were held with him;

(c) if so, the details thereof; and

(d) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) The President of the European Commission visited India for the Fourth India-EU Summit held in New Delhi on 29 November 2003.

(b) to (d) During the Summit interaction views were exchanged on inter alia enhancement of bilateral trade and investment and multilateral trading regime. The financing Agreement for Trade and Development Programme (TIDP) was signed and a customs Co-operation Agreement was initialled.

**Funds Allocated to NGOs**

2733. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of TEXTILES be pleased to state:

(a) the funds allocated and sanctioned by the government to Non-Governmental Organisations (NGOs) registered under Societies Act during each of the last three years and current year, State-wise particularly in Jharkhand and Bihar;

(b) the project of NGO's executed in each State particularly in Jharkhand and Bihar during the above period;

(c) whether there is any Government provision to monitor the sanctioned projects; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) A statement is enclosed.

(c) and (d) Respective field level and State level agencies, as well as Headquarter offices at the central government level monitor the projects. The grants are released in instalments. The second and subsequent instalments are released only after progress of expenditure of previous releases has been found satisfactory after scrutiny.

**Statement****Handicraft Sector****State-wise fund sanctioned/released to NGOs**

(Rs. In lakhs)

Sl.No.	State	2000-01	2001-02	2002-03	2003-04 up to 15 Dec., 03	Total
1	2	3	4	5	6	7
1.	Andhra Pradesh	16.44	38.78	32.24	38.82	126.28
2.	Andaman & Nicobar Island	0.73	2.76	0	0	3.49

1	2	3	4	5	6	7
3.	Arunachal Pradesh	25.15	1.73	19.88	25.25	72.01
4.	Assam	54.60	98.32	53.82	60.82	267.56
5.	Bihar	6.79	14.30	3.44	2.91	27.44
6.	Chhattisgarh	0	47.84	12.90	11.30	72.04
7.	Delhi	88.17	116.66	227.22	122.09	554.14
8.	Goa	1.24	0.98	0	0	2.22
9.	Gujarat	31.47	45.84	33.42	19.03	129.76
10.	Haryana	5.87	25.35	32.69	13.24	77.15
11.	Himachal Pradesh	29.61	65.27	51.58	53.08	199.54
12.	Jammu & Kashmir	23.76	36.88	132.87	17.97	211.48
13.	Jharkhand	0	2.72	18.38	8.76	29.86
14.	Karnataka	11.99	21.49	11.76	35.33	80.57
15.	Kerala	8.64	10.66	37.46	19.84	76.60
16.	Madhya Pradesh	43.82	84.92	89.55	25.60	243.89
17.	Maharashtra	33.48	34.87	28.55	73.75	170.65
18.	Manipur	45.06	33.56	26.52	28.69	133.83
19.	Meghalaya	6.29	5.69	16.59	7.93	36.50
20.	Mizoram	17.17	2.34	0	13.80	33.31
21.	Nagaland	69.02	16.45	42.83	23.94	152.24
22.	Orissa	47.70	34.37	77.73	12.22	172.02
23.	Punjab	10.93	82.50	20.35	91.03	204.81
24.	Pondicherry	0	0.85	0.84	0	1.69
25.	Rajasthan	23.44	40.19	53.09	66.50	183.22
26.	Sikkim	0.90	0.34	2.75	0	3.99
27.	Tamil Nadu	17.77	35.71	18.72	20.33	92.53
28.	Tripura	19.93	32.05	13.96	17.71	83.65
29.	Uttar Pradesh	378.15	636.97	423.06	78.36	1516.54
30.	Uttaranchal	6.98	44.98	21.45	10.42	83.83
31.	West Bengal	34.33	54.20	57.34	55.75	201.62
	<b>Total</b>	<b>1059.43</b>	<b>1669.57</b>	<b>1560.99</b>	<b>954.47</b>	<b>5244.46</b>

*State wise Projects sanctioned under Baba Saheb Ambedkar Hastship Vikas Yojana*

S.No.	Name of State/UT	Project Sanctioned during 2001-02	Project Sanctioned during 2002-03	Project Sanctioned during 2003-04 (up to Nov. 03)
1	2	3	4	5
1.	Andhra Pradesh	6	—	2
2.	Arunachal Pradesh	4	1	1
3.	Assam	16	—	1
4.	Bihar	1*	6	—
5.	Chhattisgarh	7	—	1
6.	Delhi	3	4	1
7.	Goa	—	—	—
8.	Gujarat	9	1	3
9.	Haryana	5	1	1
10.	Himachal Pradesh	11	2	2
11.	Jammu and Kashmir	6	4	—
12.	Jharkhand	2	5	1
13.	Karnataka	2	3	3***
14.	Kerala	8	—	9****
15.	Madhya Pradesh	16	2	3
16.	Maharashtra	5	—	1
17.	Manipur	2	—	—
18.	Meghalaya	2	—	—
19.	Mizoram	2	—	—
20.	Nagaland	6	—	—
21.	Orissa	16**	8	2
22.	Pondicherry	1	—	—
23.	Punjab	3	1	—
24.	Rajasthan	11	2	—
25.	Sikkim	—	1	—
26.	Tamil Nadu	11	—	—

1	2	3	4	5
27.	Tripura	12	1	1
28.	Uttar Pradesh	25	2	5
29.	Uttaranchal	5	2	1
30.	West Bengal	22	1	—
Total		222	42	38

\*Revalidated in 2002-03.

\*\*3 Project Revalidated in 2002-03.

\*\*\*Include one State Corporation.

\*\*\*\*Include six State Corporation.

#### Jute Sector

*State-wise distribution of NGOs supported under CCF-I from  
October 1999 to 31st October 2003*

No.	State	No. of NGOs Assisted	Beneficiaries Involved	Amount Rs. in lakhs
1	2	3	4	5
1.	Andhra Pradesh	15	490	18.68
2.	Assam	9	400	12.68
3.	Bihar	6	260	8.75
4.	Delhi	3	85	4.73
5.	Gujarat	3	380	5.01
6.	Haryana	3	120	6.56
7.	Himachal Pradesh	4	120	6.56
8.	Jammu & Kashmir	3	75	4.30
9.	Jharkhand	4	115	5.73
10.	Karnataka	2	80	3.29
11.	Kerala	2	60	3.00
12.	Madhya Pradesh	6	195	7.55
13.	Maharashtra	7	185	8.92
14.	Mizoram	1	20	1.00
15.	Orissa	12	390	16.14
16.	Rajasthan	6	155	9.71

1	2	3	4	5
17.	Tripura	2	105	2.62
18.	Tamil Nadu	4	40	5.18
19.	Uttar Pradesh	4	217	6.82
20.	Uttaranchal	1	30	1.43
21.	West Bengal	22	645	30.20
<b>Total</b>		<b>119</b>	<b>4167</b>	<b>167.59</b>

**Sericulture Sector**

Under the Swaranjayanti Gram Swarojgar Yojna (SGSY) of the Ministry of Rural Development (MRD), sericulture projects are being implemented in the States

of Bihar and Jharkhand through the NGO for a period of 4 years starting from 2003-04 for envelopment of Tasar and eri culture. Details of the cost of the projects is as given below:

(Rs. in Crores)

State	Total Cost	GOI share		Beneficiary Contribution	Credit
		MRD	CSB		
Bihar	14.41	6.23	2.09	2.89	3.20
Jharkhand	28.28	11.82	4.55	6.67	5.24

**Infrastructure Development Finance Corporation***[Translation]*

2734. SHRIMATI PRABHA RAU: Will the Minister of FINANCE be pleased to state:

(a) whether the Infrastructure Development Finance Corporation (IDFC) has proposed that a national assets register be created listing all the assets owned by the Government with a view to use Government owned assets effectively for the projects undertaken jointly by the public and private partnership;

(b) if so, the details thereof;

(c) whether the Government has examined the proposal; and

(d) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) to (d) Do not arise.

**World Bank Aided Projects  
in Maharashtra**

2735. KUMARI BHAVANA PUNDLIKRAO GAWALI:  
SHRI DANVE RAOSAHEB PATIL:

Will the Minister of FINANCE be pleased to state:

(a) the projects being implemented in Maharashtra with the World Bank assistance during last three years;

(b) the amount of funds provided by World Bank, project-wise; and

(c) the area-wise details of the works executed so far with the World Bank assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(Figure in US\$ million)

(a) to (c)

S. No.	Name of the Project	Name of the Participating States	Date of Signing/ Closing	Amount of Assistance	Cumulative Disbursement as on 31.10.2003
1.	Maharashtra Health Systems Development Project	Maharashtra	14.01.1999/ 31.03.2005	US\$ 116.9 (IDA)	43.71
2.	National Agricultural Technology Project	Central Project	22.06.1998/ 31.12.2004	US\$ 100.00 (IDA) US\$ 96.8 (IBRD)	124.098
3.	Maharashtra Rural Water Supply & Sanitation (Jalswarajya Project)	Maharashtra	30.09.2003/ 31.03.2009	US\$ 181.00 (IDA)	0.00
4.	Mumbai Urban Transport Project	Central Project	05.08.2002/ 31.12.2008	US\$ 79.00 IDA US\$ 463.00 (IBRD)	41.248
5.	Bombay Sewage Disposal Project	Central Project	28.12.1995/ 31.12.2003	US\$ 112.783 (IBRD) 25.000 (IDA)	128.509
6.	Hydrology Project	Multi-state including Maharashtra State	22.09.1995/ 31.12.2003	US\$ 122.4 (IDA)	93.26

IBRD-International Bank for Reconstruction & Development.  
IDA-International Development Association.

*[English]***LIC's Lapsed Policies**

2736. SHRI Y.V. RAO: Will the Minister of FINANCE be pleased to state:

(a) whether LIC has banned the secondary market transaction of lapsed policies;

(b) if so, the number of lapsed policies and their premium value;

(c) whether the lapsed policies are comparatively more attractive because of higher returns than the new policies; and

(d) if so, the reasons for taking such a decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) The Life Insurance Corporation of India has informed that under some of the plans issued by them in the past, the returns may be higher.

(d) Does not arise.

#### **Jute Technology Mission**

2737. SHRI RAMESH CHAND TOMAR:  
SHRI RAGHURAJ SINGH SHAKYA;

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government propose to announce a Rs. 400 Crore jute technology mission;

(b) if so, the details of the ailing jute mills identified;

(c) whether plans have been made to modernize to the jute mills; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) Government has informed the Rajya Sabha on 11.12.2002 that "the Government is considering to launch a Jute Technology Mission (JTM)".

(b) The Jute Technology Mission, which is pending the approval of the Planning Commission for inclusion in the 10th Five Year Plan, is for overall development of jute sector with an overall outlay of Rs. 458.34 crores, will be operationalised through four Mini Missions;

Mini Missions	Objectives	Executing Ministry	Proposed outlay (Rs. in crores)
Mini Mission-I	To strengthen agricultural research and technology achievements	Ministry of Agriculture	20.39
Mini Mission-II	Development/extension of raw jute and transfer of improved technology	Ministry of Agriculture	19.79
Mini Mission-III	To develop efficient market linkages for raw jute	Ministry of Textiles	155.26
Mini Mission-IV	To modernize, technologically upgrade, improve productivity, resource for the jute industry.	Ministry of Textiles	262.90
Total			458.34

(c) and (d) Yes, Sir. The Jute Manufacturers Development Council (JMDC), a statutory body under the aegis of Ministry of Textiles, Government of India has launched the 'JMDC Incentive Scheme for Modernisation of Jute Industry' w.e.f. July 2002. The subsidy under the scheme was universally restricted to 15% of the cost of machinery/equipment procured by the jute mills till September, 2003. However, subsidy has been enhanced to 20% w.e.f. 19th September, 2003 for establishment of new modern jute mills in new locations pertaining to jute growing areas having inadequate jute processing facilities after payment of cess for at least 3 months.

[Translation]

#### **Task Force on Quality of Foodstuffs**

2738. SHRI RADHA MOHAN SINGH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to set up a task force to gauge the quality and the safety norms of the indigenously produced and the imported foodstuffs;

(b) if so, the details thereof; and

(c) the time by which the Committee is likely to submit its recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) No such task force is proposed to be set up. However, in pursuance of the recommendations of the 23rd meeting of the Central Consumer Protection Council (16th July, 2003), the Central Government has constituted a Working Group on Food Safety with the following terms of reference:

- (i) To identify various problems that the consumers face relating to the safety and the quality of various food products produced/manufactured/imported and made available in the market.
- (ii) To suggest preventive as well as remedial measures.

Director General, Bureau of Indian Standards is the Chairman of the Working Group and other members are from concerned Government Departments, scientific institutions, industry associations and NGOs. The Member Secretary of the Group is Director (Food & Agriculture), Bureau of Indian Standards.

(c) No specific time limit has been prescribed for submission of its report by the Working Group.

[English]

#### Government Expenditure

2739. COL. (RETD.) SONA RAM CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) the details of measures initiated/taken by the Government to reduce the Government expenditure during the last three years;

(b) the percentage of Government staff reduced in downsizing the Government and result achieved during the last three years, year-wise;

(c) whether the Union Government has issued necessary directives to all the State Governments and various Ministries and Government Department in this regard;

(d) if so, the details thereof; and

(e) the result achieved in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) It is the Government's constant endeavour to control non-plan non-developmental expenditure. In this context instructions to avoid wasteful expenditure are issued from time to time to all the Ministries/Departments which include ban on the creation of posts, reduction in the number of sanctioned posts, restrictions on the filling up of vacant posts, reduction in office expenses, restrictions on purchase of vehicles, restriction on foreign travel and on entertainment/hospitality expenses, restriction on STD/ISD facility, restriction on number of free calls on official residential telephones, etc.

(b) to (e) As a result of implementation of ERC recommendations, around 16,900 posts have been abolished. Ministry of Personnel & Public Grievances have issued orders to all the Ministries/Departments of Government of India restricting the direct recruitment to 1/3 of the annual direct recruitment vacancies subject to the condition that this does not exceed one percent of the total strength of a particular Department. During the past three years, around 51,000 posts have been identified for abolition:

Year	No. of posts identified for abolition
2000-01	16,331
2001-02	27,693
2002-03	7,027

#### Violation of Rules by Companies

2740. SHRI HARIBHAI CHAUDHARY:  
SHRIMATI RAJKUMARI RATNA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the number of cases registered by the Department of Company Affairs against companies for alleged violation of existing rules and regulations during the last three years;

(b) the number of case out of it taken up for investigation and other details thereof; and

(c) how many of these cases have been concluded and their outcome?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) The Department carries out inspections u/s 209A or investigations under Sections 235/237 of the



Companies Act, if there are grounds to believe any irregularity having been committed by any company. Inspections are also ordered on random basis. The number of inspections/investigations ordered in the preceding 3 years have been as follows:

Year	No. of Inspections Ordered	No. of Investigations Ordered
2000-01	270	Nil
2001-02	190	8
2002-03	37	4

(b) and (c) The inspections/investigations may not end in the same year and hence it would not be possible to state the result of investigations and details thereof in respect of cases taken up for inspections/investigations during the year of reference. However, results of inspections/investigations ordered from the previous years continue to flow in during the course of the year. The Department also carries out technical scrutiny, on random basis, of accounts and documents filed with the Registrar of Companies. As a result of the completed investigations/inspections and such random scrutiny of annual returns, the position regarding the prosecutions for the preceding 3 years is as follows:

Year	No. of Prosecutions launched
2000-01	9187
2001-02	8334
2002-03	9154

Prosecutions started during the same year do not necessarily conclude during the year itself; but some prosecutions launched earlier come to an end. The number of prosecutions, thus, disposed during the preceding 3 years has been as follows:

Year	No. of prosecutions disposed of
2000-01	9615
2001-02	5658
2002-03	5467

Illustratively, the result of prosecutions has been as follows:

Year	Convictions	Acquittals	Condonations	Fine imposed in Rs.
2000-01	2119	3757	3739	44,06,205
2001-02	2430	356	1629	42,67,676
2002-03	2804	441	866	59,53,475

#### **Naxalite Activities in Tribal Areas**

2741. DR. M.P. JAISWAL:  
SHRI LAXMAN GILUWA:

Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether there is unrest in several tribal areas of the country which is being exploited by the Naxalite elements;

(b) if so, whether the Government has made any study of factors leading to this social unrest;

(c) if so, the details of findings thereof; and

(d) the steps taken by the Government to control Naxalite activities in Tribal areas?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) Yes, Sir the Naxalite elements may be exploiting unrest in tribal areas in the country.

(b) and (c) A study "Dynamics of Tribal Exploitation and Growth of Naxalite Movement in Andhra Pradesh, Orissa, Chhattisgarh Border Region: A socio-Economic Analysis" has been commissioned. The report of the study is awaited.

(d) As intimated by the Ministry of Home Affairs, the steps taken by the Government to control Naxalite activities are given in the statement enclosed.

#### **Statement**

#### **Strategy of the Government to Tackle Naxalism**

(i) A specified number of CRPF Bns have been earmarked for countering Left Wing Extremism (LWE) menace. They will be deployed on a long-term basis and the States will give operational

plans for their deployment. The CRPF units will also undertake civil action activities in these areas.

- (ii) The States were asked to encourage local resistance groups against the naxalities.
- (iii) The States will take up media perception programme to expose unlawful activities and misdeeds of Left Wing outfits and disseminate information about the various welfare and developmental schemes of the Government at the grass roots level.
- (iv) There will be institutionalized mechanisms at the specified district level and the Police station level to enable intelligence based inter-state coordinated anti-naxalite operations.
- (v) The States will constitute well equipped and well trained Quick Reaction Teams (QRTs) to counter naxalite problem.
- (vi) The States were requested to expedite raising of I.R. Bns. and deploy them for anti-naxalite operations.
- (vii) The States will work out a counter strategy to deal with detection of IEDs and land mines.
- (viii) The SRE scheme will be reviewed so as to make it more effective to contain this problem.
- (ix) The States will take steps to identify and check flow, and trail of funds being used by LWE outfits.
- (x) The States will take effective counter steps to prevent 'Jan Adalats' in the LWE areas. This will include effective public grievance redressal systems.
- (xi) The States should set up Inter-State Intelligence Support Teams (ISITs) in association with the IB as early as possible.
- (xii) The States will strengthen security of VVIPs and other functionaries of the State Apparatus.

#### **RRBs Sponsored by UCO Bank**

2742. SHRI K.P. SINGH DEO: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of UCO banks set up in Orissa and other States during last three years;

(b) whether UCO Bank has sponsored any Regional Rural Bank in Orissa;

(c) if so, the details thereof; and

(d) the number of Kisan Credit Cards (KCC) issued by these Regional Rural Banks and UCO bank in Orissa during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) UCO Bank opened 7 branches in the country during the last three years, but none in the State of Orissa.

(b) to (d) UCO Bank sponsored two Regional Rural Banks namely Balasore Gramya Bank and Cuttack Gramya Bank in State of Orissa and all the RRBs in Orissa have issued 2,04,997 Kisan Credit Cards during the last three years in their areas of operation.

#### **Promotion Policy**

2743. SHRI PRAVIN RASHTRAPAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Ministry of Commerce and Industry is aware of Constitutional amendment of article 16 (4A) and subsequent DOP OM No. 20011/1/2001-Estt. (D) dated January 21, 2002;

(b) if so whether the Ministry has implemented the said circular with retrospective effect with effect from January 21, 2002;

(c) if so, the details thereof; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (d) Information is being collected and will be laid on the Table of the House.

#### **Import of Raw Diamonds from Russia**

2744. SHRI PRIYA RANJAN DASMUNSI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware of the fact that Valadivostok of Russia having enough potential of raw diamonds which can be imported and polished in India for value added exports;

(b) if so, whether any initiatives have been taken in this regard to consult Gem and Jewellery Export Promotion Council; and

(c) if so, the result therein?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Russia is one of the leading producers of rough diamonds in the world. About 80% of Russian output comes through their mines in Sakha Republic. A Protocol of intentions on the cooperation in the field of trade in rough natural diamonds and precious metals was signed in Oct. 2000 between Russia and India. MMTC Limited has been nominated as the nodal agency from Indian side for import of rough diamonds. A number of sightings have been held in Moscow by the combined delegation of the MMTC and the Gem & Jewellery Export Promotion Council (GJEPC) for the purchase of rough diamonds from Gokhran, the Russian State Depository of the rough diamonds. Gokhran has, however, indicated that it has only limited quantities of rough diamonds available for exports and that too would be soon exhausted. It is learnt that ALROSA, Russia's leading diamond producer, sells rough diamonds to individual companies through auctions. The Indian companies could participate in such auctions on individual basis and may try to work out a commercial deal with Alrosa on the basis of mutual benefit.

Some local diamond processing plants have been set up in Sakha and Valadivostok. These are local processing plants and get supply of rough diamonds from Alrosa and Gokhran.

MMTC has reported that a contract of 5037.59 carats of rough diamonds valued at US\$ 591,916.63 has so far been concluded with Gokhran and the rough diamonds have since been received for processing in India.

#### **Ombudsman for SEBI**

2745. DR. N. VENKATASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether SEBI has recently proposed to formulate an "Ombudsman Scheme" for redressal of investors grievances;

(b) if so, the details thereof;

(c) whether it is proposed to set up "Ombudsman" at all Stock Exchanges including Regional Stock Exchanges; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The SEBI (Ombudsman) Regulations, 2003 have been notified on 21st August, 2003 to provide for the establishment of the office of the Ombudsman to redress the grievances of the investors against the intermediaries and the listed companies by mutual agreement or by award on adjudication.

(c) and (d) The Mechanism of arbitration prevalent in the stock exchanges for the purpose of resolving disputes between members of the stock exchanges or between a member and an investor shall continue to be in force and the same shall not be substituted with the office of Ombudsman.

#### **Dubious Housing Finance Companies**

2746. SHRI RAM TAHAL CHAUDHARY:  
SHRI BIR SINGH MAHATO:  
SHRI MANSUKHBHAI D. VASAVA:

Will the Minister of FINANCE be pleased to state:

(a) whether several Housing Finance Companies with dubious credibility are functioning in the country and are cheating the people;

(b) if so, whether the Government has conducted any enquiry into it;

(c) if so, the names of the companies, alongwith their locations; and

(d) the steps taken to check on defrauding of the customers by these companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The

National Housing Bank (NHB) has reported that no such companies are functioning, nor any such instance has been brought to the notice of NHB.

(b) to (d) Do not arise.

#### Loan through NABARD

2747. SHRI BHARTRUHARI MAHTAB: Will the Minister of FINANCE be pleased to state:

(a) the assistance given by financial institutions and NABARD to Orissa for development projects during each of the last two years and current year so far;

(b) whether the assistance is very low when compared to the other States; and

(c) if so, the reasons therefor and the steps being taken to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The information is being collected and, to the extent available, will be placed on the Table of the House.

#### Foreign Funds

2748. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether the SEBI has announced that the total net foreign investment in India until September 30, 2003 was Rs. 72,965 crores;

(b) if so, the details of funds entered into India during October 1, 2003 to October 30, 2003;

(c) whether a sudden withdrawal of these foreign funds would de-stabilise the market;

(d) if so, whether SEBI proposes to introduce any "lock-in" rules to prevent wild speculators; and

(e) if so, the details of such "lock-in" rules proposed by SEBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) As per the data compiled by Securities and Exchange Board of India (SEBI) total net foreign institutional Investors (FIIs) investment until September 30, 2003 was Rs. 77,404.3 crores.

(b) As per the data compiled by SEBI, net FII investment during October 1, 2003 to October 30, 2003 was Rs. 6,722.8 crore.

(c) A study of FII equity turnover vis-a-vis corresponding market turnover in the cash segment for the current financial year indicates that FII turnover as a percentage of corresponding market turnover is within 4.2% to 6.5%. This indicates that increase in market activity cannot be attributed to FIIs only.

(d) and (e) No, Sir. Government has not received any such proposal from SEBI.

#### Credit-Deposit Ratio in North Eastern States

2749. SHRI P.R. KYNDIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Credit-Deposit Ratio in the North Eastern Region and Sikkim is low when compared with the rest of the country;

(b) if so, the steps the Government is taking to improve the Credit-Deposit Ratio in the region; and

(c) the deposit, credit and CD Ratio in the North Eastern States and Sikkim as well as the share of priority sector in total bank credit, State-wise for the region vis-a-vis country during the last 2 years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The Credit Deposit (CD) ratio of the North Eastern States and Sikkim is being constantly reviewed in the quarterly meetings of the State Level Bankers' Committee of the State concerned and RBI. Concerned banks are being constantly advised to improve the Deposit, Credit and CD Ratio in these States.

(c) The details of Credit, Deposit and CD Ratio for the North Eastern States and Sikkim, as informed by RBI, as on 27-06-2003 are as follows:

(Rs. in lakhs)				
S.No.	State/ Region	Deposits	Credit	CD Ratio (in per cent)
1.	N.E. Region	2016142	581259	28.8
2.	Sikkim	102785	18268	17.8
3.	All India	129599309	73922638	57.0

The data on share of priority sector in total bank credit, state-wise for the region vis-a-vis country during the last two years are not available with RBI.

#### **World Bank Aid for Road Project**

2750. SHRI RUPCHAND MURMU: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank is not keen on increasing its funding to road project in India due to the slow progress in road projects in the country;

(b) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir. The World Bank is keen to work with Government of India and States on the road project. Very recently on 14.10.2003, the World Bank has approved a loan of US\$ 240 million for the Allahabad Bypass Project.

(b) During the current financial year, the World Bank has already committed assistance of about US\$ 600 million in the road sector projects.

#### **Export of Handloom Product**

2751. SHRI T.T.V. DHINAKARAN: Will the Minister of TEXTILES be pleased to state:

(a) the quantum of handloom products produced in the country during each of the last three years, State-wise and product-wise;

(b) the quantum of export of handloom products during the corresponding period, product-wise; and

(c) the measures taken recently to protect the handloom sector?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) The quantum of handloom products produced in the country during each of the last three years is as under:

2000-01	7506.00 million sq. mtr.
2001-02	7585.00 million sq. mtr.
2002-03	5980.00 million sq. mtr.

Due to highly decentralised nature of the handloom industry, the State-wise/product-wise details are not maintained.

(b) The quantum of export of handloom products during each of the last three years is as under:

(in lakh Kg.)

	Fabrics	Made ups	Total
2000-01	222.96	934.70	1157.66
2001-02	251.09	832.39	1083.48
2002-03	447.43	923.98	1371.41

(c) During the 10th Plan, the Office of the Development Commissioner for Handlooms has been implementing the following schemes and programmes for overall development and protection of the handloom sector:

1. Design Development & Training Programme.
2. Marketing Promotion Programme.
3. Mill Gate Price Scheme.
4. Deen Dayal Hathkargha Protsahan Yojana.
5. Workshed-cum-Housing Scheme.
6. Weavers' Welfare Scheme.
7. Handloom Export Scheme.
8. Implementation of Handlooms (Reservation of Articles for Production) Act, 1985.
9. Scheme for re-imburement of CENVAT on hank yarn.
10. Bunkar Bima Yojana.
11. Integrated Handloom Training Project.

#### **Smuggling from Bangladesh**

2752. SHRI VINAY KUMAR SORAKE: Will the Minister of FINANCE be pleased to state:

(a) whether a recent survey by South Asia Enterprises Development Facility supported by International Finance Corporation on trade between Bangladesh and 7 North-Eastern States of India, revealed that out of Rs. 342 crores worth of trade during a year, only 52 per cent was done legally;

(b) if so, whether the survey also reveals that the rest of the commodities are smuggled through borders; and

(c) if so, the steps being taken to strengthen custom check points along Indo-Bangladesh border?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) The jurisdictional Customs authorities were not approached during such survey.

(c) 25 Land Customs Stations are adequate preventive set-up are already available between North-Eastern States and Bangladesh.

#### **World Bank Loan to Andhra Pradesh**

2753. DR. MANDA JAGANNATH:  
SHRI SULTAN SALAHUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Andhra Pradesh have requested the Union Government for grant of loan component from the World Bank for Andhra Pradesh Rural Poverty Reduction Project for Rural Water Supply;

(b) if so, the present status of the proposals;

(c) whether any projects regarding drinking water in the State with the World Bank assistance is under taken in the State;

(d) if so, the present status thereof;

(e) whether any fresh proposal for World Bank assist for drinking water in the State has been received by the Government; and

(f) if so, the present status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

(e) and (f) A project proposal, namely, 'Integrated Rural Water Supply and Environmental sanitation' was received in the Department of Economic Affairs from the Government of Andhra Pradesh (GoAP) in November, 2003 for World Bank assistance. The proposal has been returned to GoAP to enable them to follow the conditions/ laid down procedure for Externally Aided Projects.

#### **Deemed University Status to Research Institutes**

2754. SHRI P.D. ELANGO VAN: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has decided to create or provide Deemed University Status for the leading research Institutes coming under the Ministry;

(b) if so, the details thereof, and the list of research Institutions already provided the Deemed University Status and the institutions taken up for consideration;

(c) the details of the funds allocated for the research institutes in the last three years and the major projects or works done by the Institutions during the time;

(d) the measures taken by the Government to provide adequate representations for the OBC in these research institutes;

(e) whether the Government has the detailed reports from the various research Institutes regarding the current status of OBC representations in Group A, B, and C; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No, Sir. This Ministry has not provided or is proposing to provide any research institute deemed university status.

(c) This Ministry has no research institute under it. However, it provides financial support to the following Textile Research Associations (TRAs):

- (i) Ahmedabad Textile Industry's Research Association (ATIRA), Ahmedabad.
- (ii) Bombay Textile Research Association (BTRA), Mumbai.
- (iii) South India Textile Research Association (SITRA), Coimbatore.
- (iv) Northern India Textile Research Association (NITRA), Ghaziabad.
- (v) Synthetic & Art Silk Mills' Research Association (SASMIRA); Mumbai.
- (vi) Man-made Textiles Research Association (MANTRA), Surat.

(vii) Indian Jute Industries Research Association (IJIRA), Kolkata.

(viii) Wool Research Association (WRA), Thane.

These TRAs are textile industry promoted private bodies set up for carrying out research and providing the industry various services including consultancy, testing, training and research etc. Their main sources of earnings include subscriptions from member-mills, fees from the services provided and government grants. The funds allocated to these TRAs during the last three years' period are as follows:

Year	Allocation of funds
2000-01	1727
2001-02	1923
2002-03 (Revised estimates)	2347

During this period these TRAs have undertaken projects having potential for commercial application mainly in the areas of ginning, spinning, weaving, chemistry and chemical technology, environmental engineering, energy conservation, machinery development, electronics and information technology.

(d) to (f) These TRAs are societies registered under the Societies Act, 1860 and receive part financial support from the Government for their sustenance and research work undertaken. They are not under any kind of control of the Government including recruitment of staff, their service conditions etc. and enjoy full autonomy like any other non-government organization (NGO). Each TRA has a Governing (or management) Council with representatives of industry elected by its members as per its bye-laws. The members of the Council elect one of themselves as the Chairperson of the Research Association. The Council appoints the Director/Chief executive. The Chairperson is in overall charge of the TRA. The Joint Secretary in the Textile Ministry and the Textile Commissioner represent the Government on Council of Administration to ensure that Government funds given as recurring and non-recurring expenditure for research programmes of TRAs are utilised for the purpose they are meant for.

#### Shortage of Staff in Banks

2755. SHRI S.D.N.R. WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) whether there has been the shortage of staff in the Indian Bank;

(b) if so, the vacancy position of various categories of staff in the bank as on date; and

(c) the steps taken to fill up those vacancies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) and (c) Do not arise.

#### Conditions Imposed by US for Outsourcing

2756. SHRI NARESH PUGLIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether US has asked India to reduce tariff and non-tariff barriers, protect intellectual property rights and allow more US goods to flow into the country if India wanted another backlash like one against outsourcing the country as reported in the *Statesman* of November 21, 2003 under the captioned "US warns India of another backlash";

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) No, Sir. The Government has not received any communication from US in this regard.

(b) and (c) The questions do not arise.

#### Export of Rice to USA and EU

2757. SHRI KAMAL NATH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the quantity foodgrains, especially Basmati rice exported to USA and European countries during each of the last three years;

(b) whether there is decline of export to the said countries due to some restrictions on their part;

(c) if so, the details thereof;

(d) whether the Indian Government has taken up this matter with the Government of the said countries;

(e) if so, the details thereof; and

(f) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) The quantity of basmati rice exported to USA and European Countries (EU) during the last three years is as under:

Year	Quantity of Export of Basmati Rice (Lakh MT)	
	European Union	USA
2000-01	1.71	0.36
2001-02	1.00	0.27
2002-3 (P)	1.23	0.30

The export of other foodgrains viz., non-basmati rice and wheat to EU and USA has not been significant.

(b) No, Sir.

(c) to (f) Do not arise.

#### **Customs Duty Exemption for Ropeway Project**

2758. SHRI GUTHA SUKENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has received any proposal from State Government of Andhra Pradesh for total exemption from customs duty for equipment imports for ropeway project by Andhra Pradesh Tourism Development Corporation Limited;

(b) if so, the details thereof; and

(c) the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir.

(b) The Union Government had received a request from the Andhra Pradesh Government for total exemption from customs duty on equipment imported for the aerial passenger ropeway system for ferrying pilgrims from Tirupati to Tirumala.

(c) In this year's budget, customs duty on aerial passenger ropeway projects has been reduced to 5%.

#### **Rashtriya Sam Vikas Yojana**

2759. DR. RAJESWARAMMA VUKKALA: Will the Minister of FINANCE be pleased to state:

(a) the number of districts identified for Rastriya Sam Vikas Yojana;

(b) the names of districts identified for first phase of development; and

(c) the time by which all the remaining undeveloped districts would be covered under the programme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) 132.

(b) List of 25 phase-I districts is enclosed as statement.

(c) 41 more districts have been covered during the current year. The remaining districts are expected to be covered under the programme from the next year.

#### **Statement**

*List of district covered under the first phase of the Backward Districts Initiative under Rashtriya Sam Vikas Yojana*

S.No.	Name of the State	Name of the District
1	2	3
1.	Andhra Pradesh	1. Adilabad 2. Warangal
2.	Chhattiegarh	3. Bastar 4. Dantewada
3.	Gujarat	5. Dangs
4.	Jharkhand	6. Lohardagga



1	2	3
		7. Gumla
		8. Simdega
5. Karnataka		9. Gulbarga
6. Kerala		10. Palakkad
7. Madhya Pradesh		11. Barwani
		12. Mandla
		13. West Nimar (Khargone)
8. Maharashtra		14. Gadchiroli
		15. Bhandara
9. Rajasthan		16. Banswara
		17. Dungarpur
10. Tamil Nadu		18. Tiruvannamalai
11. Uttar Pradesh		19. Sonbhadra
		20. Rae Bareli
		21. Unnao
		22. Sitapur
		23. Hardoi
12. West Bengal		24. Purulia
		25. Jalpaiguri

[Translation]

#### Five Days a Week in Banks

2760. SHRI MANIKRAO HODLYA GAVIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to reduce the working days of banks from existing six days a week to five days a week from January 1, 2004 and also propose to extend the working hours of banks; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

[English]

#### Curb on Import of Arecanut

2761. SHRI V.S. SIVAKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Director-General of Foreign Trade has granted permission to some arecanut exporters for import arecanut as advance licence without imposing any import duty;

(b) if so, whether this decision of DGFT has causes steep fall in price of arecanut in the market, affecting the growers of the crop in Kerala;

(c) if so, whether the arecanut grower has requested the Government to intervene in the matter; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (d) The price of arecanut has shown a downward trend over the years on account of domestic conditions. The Customs duty already stands raised from 35% to 100%.

Advance licensing is an established policy to allow zero duty imports of commodities for export of relevant products. Duty free import of products being allowed for relevant export product should normally have no correlation with domestic prices. Accordingly Advance Licences for arecanut have been issued.

A reference was received from the Government of Kerala, in this regard. The purpose of Advance Licences having been explained, there is no intention to discontinue this Licensing Scheme.

#### Complaint against Customs Officials

2762. SHRI SURESH RAMRAO JADHAV: Will the Minister of FINANCE be pleased to state:

(a) whether a group of Thai tourists has lodged a complaint against the Gaya Airport Customs officials for their 'highhanded' behaviours during their visit to Bodh Gaya;

(b) if so, the details thereof;

(c) the action taken by the erring customs officials;  
and

(d) the steps taken by the Government to check recurrence of such incidents in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) to (d) No formal or written complaint has been filed either with the Airport Director, Tourism office Gaya or the Customs. However a news item about the incident did appear in the press. Based on this, enquiries were conducted. As per the enquiry report, 115 passengers had arrived at Gaya International Airport by Phuket airlines in groups on 16.11.2003. The leader of one of the groups had insisted that Customs clear their baggage without checking. When this was not acceded to, the persons took personal affront.

At the time of departure on 22nd November, 2003, it appears that the same leader of the group had invited some media persons in advance and when Customs wanted to check the baggage he created a scene resulting in heated exchange of words. The matter was immediately brought to the notice of the Assistant Commissioner in-charge of the Airport who intervened and defused the situation.

The Assistant Commissioner of Customs, Gaya International Airport has been advised to handle such incidents with tact and ensure that utmost courtesy is accorded to all international passengers, while at the same time enforcing customs law in a fair manner.

#### **Finance Package for Exports**

2763. SHRI BASU DEB ACHARIA:  
SHRI ASHOK N. MOHOL:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has approved financial package for promotion of exports recently;

(b) if so, the details thereof;

(c) the aims and objectives of such package;

(d) the present share of export in the World Trade;  
and

(e) the other steps taken by the Government to increase India's share in the growing world market?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Yes, Sir. Government have approved the Market Access Initiative (MAI) scheme to act as a catalyst to promote India's export on a sustained basis. The scheme is devised on focus product-focus country approach basis to evolve specific strategy for specific market and specific product through market studies/survey.

As per this Scheme, assistance is to be extended to State Governments/Export Promotion Councils/Registered Trade Promotion Organisations/Exporters etc. for the following components:

- (i) Marketing Studies.
- (ii) Marketing projects which may include showrooms, warehousing facility, display in international departmental stores, publicity campaign and brand promotion, participation in trade fairs, BSMs etc., abroad, research and product development and reverse visits of prominent buyers etc. from the project focus countries.
- (iii) Export potential survey of the States.
- (iv) Registration charges for product registration abroad for pharmaceuticals, biotechnology and agro chemicals.
- (v) Testing charges for engineering products.
- (vi) To recognised associations in industrial clusters for marketing abroad.
- (vii) Study on WTO related matters.

(d) India's share in world exports in merchandise goods was 0.8% for the calendar year 2002.

(e) A number of programmes/schemes have been launched through the Union Budget, 2003-04 and Exim Policy, 2003-04. In the Exim Policy, 2003-04, besides, the focus on Service exports, policies have been devised to strengthen Special Economic Zones (SEZs), 100% Export Oriented Units (EOUs), etc. A new programme

called "Focus CIS" has been introduced. Duty Neutralization Schemes for import of inputs used for export production have been strengthened. Export Promotion being a constant endeavor on the Government, export performance is monitored on a regular basis.

#### **Export of Apple**

2764. COL. (RETD.) DR. DHANI RAM SHANDIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has permitted export of apple through various state agencies;

(b) if so, the quantity of apple allowed and released to each agency for export during 2002-03 and 2003-04, agency-wise;

(c) whether some State Governments including Himachal Pradesh have requested the Union Government to enhance the quantity of export of apple;

(d) if so, the details thereof; and

(e) the response of the Union Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) Under the existing EXIM Policy, export of apple is free.

(b) Does not arise.

(c) No, Sir.

(d) and (e) Do not arise.

#### **ISI Marking**

2765. SHRIMATI RENUKA CHOWDHURY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the requirement of ISI mark is selective for consumer products;

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

(c) whether the Government has adequate facilities to monitor the quality of such products;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) The Product Certification Scheme of Bureau of Indian Standards (BIS) under which licences for use of ISI Mark is granted to manufacturers, is basically voluntary in nature. Any manufacturer who is capable of manufacturing product conforming to an established Indian Standard can apply to BIS for grant of licence to use ISI Mark. However, in the interest of public health and safety, Government can consider bringing any product under the Mandatory Certification of BIS. So far, 118 products e.g. Packaged Drinking Water, Packaged Natural Mineral Water, Cement, Food & Food Additives, LPG Cylinders etc. have been brought under the Mandatory Certification through various Quality Control Orders issued by different Ministries/Departments.

(c) to (e) BIS, through its scheme of Testing and Inspection and surveillance visits, ensures that all its licensees adhere to the various quality specifications prescribed in the relevant standards. BIS has a network of 8 laboratories in India which can test most of the products presently under certification. Besides, BIS has recognized more than 100 outside laboratories to supplement the requirement of testing of the samples. These laboratories are either accredited by National Accreditation Board for Laboratories (NABL) or assessed directly by BIS in accordance with ISO 17025.

*[Translation]*

#### **Vacant Posts of Judges**

2766. DR. BALIRAM: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the total number of posts of judges lying vacant in Allahabad High Court of Uttar Pradesh as on 30th November, 2003 and the dates since when those posts are lying vacant;

(b) the action taken so far to fill up these posts; and

(c) the time by which all the vacant posts of judges are likely to be filled up?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) As on November 30, 2003, 29 posts of Judges were vacant in the Allahbad High Court.

Pursuant to the Supreme Court Judgement of October 6, 1993 read with the Advisory Opinion of October 28, 1998, the process of initiation of proposal for appointment of Judges of a High Court lies with the Chief Justice of that High Court. The Government has, however, been requesting the Chief Justices of the High Court, Chief Ministers and the Governors of the States, from time to time, including the Chief Justice of the Allahabad High Court and the Chief Minister and the Governor of Uttar Pradesh, to initiate proposal for filling up of the present vacancies and also the vacancies anticipated during the next six months.

[English]

#### **Import of Milk Powder**

2767. DR. JASWANT SINGH YADAV: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether milk powder and milk products are being imported;

(b) if so, the quantum of milk powder and other milk products imported in the country during each of the last three years till date; and

(c) the specific reasons for importing of these items?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) The quantum of milk powder and other milk products imported during last three years till July 03 (latest available are contained in the publication 'Monthly Statistics of Foreign Trade of India; Volume-II (Imports) Annual Number] published by Directorate General of Commercial Intelligence and Statistics, which is available in the library of the Parliament.

(c) India has been following a consistent policy of gradual removal of restrictions on imports since 1991. In this process, import restrictions on some milk and milk

products have also been removed. However, Government is absolutely determined to ensure that imports, do not cause any serious injury to the domestic producers. Towards that end, Government has successfully renegotiated the existing 0% bound rate of duty on milk powder to 60% with a provision for allowing 10,000 MT of these products at a concessional duty rate of 15% under Article XXVIII of GATT.

#### **Industrial Finance Corporation of India**

2768. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India (IFCI) offloaded 3.03 crores equity shares of Welspun Gujarat Stahi Rohem Limited constituting to 21.75 percent of its holding in the B.K. Goenka controlled company;

(b) if so, the price at which the shares were sold;

(c) whether the IFCI propose to sell shares of some of the other companies so as to recover the loans advanced to them; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The IFCI Limited off-loaded shares through screen based secondary market operations of National Stock Exchange (NSE) at a price of Rs. 27.05 per share.

(c) and (d) Defaulted loans are converted into equity and in some cases, conversion of loans into equity is also made in terms of the covenants of the Loan Agreements. Shares are sold on strict commercial considerations from the investment portfolio. During 2002-03, sale of equity shares out of conversion amounted to Rs. 12.09 crore. During the current year upto 30.9.2003, sale of equity shares out of conversion amounted to Rs. 5.87 crore.

#### **RBI Bonds**

2769. SHRI KIRIT SOMAIYA: Will the Minister of FINANCE be pleased to state:

(a) whether any proposal to use electronic automatic system for RBI Bonds is under consideration of the Government;

(b) whether RBI also propose to start conversion of RBI Bond, certificate in Demat mode as Pilot project in Mumbai;

- (c) if so, the benefits of Demat facilities; and  
 (d) the present status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) No new proposal is under consideration of the Government. The facility to open the Bond Ledger Accounts in electronic form by the Public Debt Offices of RBI and agency banks in respect of investments in Relief Bonds has already been introduced with effect from 3rd May, 1999 in view of wide ranging benefits of demat facilities.

#### **World Tea Conference**

2770. SHRI M.K. SUBBA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether a World Tea Conference was lately convened in Guwahati;  
 (b) if so, the proposals that were made by Indian Tea Industry in the conference for promotion of tea production and export; and  
 (c) the decisions taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) No, Sir.

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

#### **Arrears of State Governments with Banks**

2771. SHRI K. YERRANNAIDU: Will the Minister of FINANCE be pleased to state:

- (a) whether the huge amount of arrears is outstanding with the public sector banks and PSUs in favour of various State Governments;  
 (b) if so, whether some State Governments are facing a serious financial crunch due to non-payment of such dues;  
 (c) if so, whether some State Governments requested the Union Government effective initiative to clear the outstanding dues; and  
 (d) if so, the action taken by the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

- (b) to (d) Do not arise.

#### **Boards of Private Banks**

2772. SHRI A. BRAHMANAIAH: Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received representations regarding the demand to dissolve the Boards of some small private banks;  
 (b) if so, the details thereof and the reaction of the Government thereto; and  
 (c) the details of Boards of banks which have been dissolved during 2003-2004 by RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Representations are received by the Govt. from time to time for dissolution of the Boards of small private banks and the same are considered on merits.

- (c) RBI has not dissolved Board of any private sector bank during 2003-04 till date.

#### **Specialized Commercial Courts.**

2773. SHRI SADSHIVRAO DADOBA MANDLIK:  
 SHRI C.N. SINGH:

Will the Minister of LAW AND JUSTICE be pleased to state:

- (a) whether the Law Commission is working on the concept of establishing Specialized Commercial Courts (SCCs) in the high courts;  
 (b) if so, the details thereof; and  
 (c) the steps taken/being taken by the Government to provide speedily justice to the people?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) The Law Commission of India has taken up, suo-motu, the subject of "Constitution of fast-track, high-tech Commercial Division in High Courts" for expeditious disposal of specified commercial cases through fast-track procedure.

**Growth Rate in Agriculture**

2774. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Indian economy has registered a healthy growth rate during the first quarter of the current fiscal;

(b) if so, the details thereof;

(c) whether there is a decline in the agriculture growth rate;

(d) if so, the reasons therefore; and

(e) the steps taken by the Government to improve agriculture growth rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Central Statistical Organisation, at factor cost, at constant prices in the first quarter (April-June) of the current year has estimated a 5.7 per cent growth rate compared with 5.3 per cent during comparable period of last year.

(c) to (e) The growth rate of agriculture and allied sector estimated at 1.7 per cent during the first quarter of the current year as compared with 2.7 per cent during comparable period of the previous year, relates to the pre-monsoon period which was adversely affected due to the continued moisture stress resulting from a poor monsoon during 2002. The bountiful monsoon during 2003 is expected to impact growth favourably in 2003-04. Some of the recent important measures relating to agriculture as proposed in Budget 2003-04 included setting up of a Task Force to recommend measures needed to be adopted for expanding the coverage of drip and sprinkler irrigation, introduction of a new Central Sector Scheme on high-tech horticulture and precision farming, lowering of rate of interest for agriculture loans etc.

**Processing of Opium**

2775. SHRI AMBAREESHA:  
SHRI SULTAN SALAHUDDIN OWAISI:  
SHRI Y.V. RAO:  
SHRI DALPAT SINGH PARSTE:

Will the Minister of FINANCE be pleased to state:

(a) the quantity of opium production in the country during each of the last three years, State-wise;

(b) whether the Government has decided to allow private sector participation in the opium procession;

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

(d) whether the Government is importing processed opium to meet the demands of the pharmaceutical units in the country;

(e) if so, the total foreign exchange used by the Government on the import of processed opium;

(f) whether any legislative amendment is required to process opium in the country to meet the demand of the pharmaceutical industries;

(g) if so, the details thereof;

(h) whether all the Government Opium and Alkaloid Factories, which were set up decades ago have been suitably upgraded;

(i) if so, the details thereof; and

(j) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a)

State	Financial Year		(Qty. in Mts at 90°C)	
	2000-01	2001-2002	2002-03	2003-04
Madhya Pradesh	497.577	216.028	364.589	209.413
Uttar Pradesh	274.843	163.566	64.003	28.663
Rajasthan	543.507	393.891	390.874	262.731
Total	1315.927	773.485	819.466	500.807

(b) and (c) The Government has decided to allow the production of opium alkaloids/active pharmaceutical ingredients in the private sector under appropriate licence in order to increase the utilization of indigenous opium and the manufacture of codeine phosphate/opium alkaloids/other downstream products for domestic consumption and export.

(d) Certain opium alkaloids, viz, codeine phosphate is imported by the Government Opium and Alkaloid Works (GOAWs) to meet the demands of the pharmaceutical units in the country.

(e) Foreign exchange incurred for purchase of Codeine Phosphate during the last 3 years are given below:

Year	Amount in US\$
1999-2000	70,55,00
2000-2001	65,90,000
2001-2002	44,10,000
2002-2003	38,15,000

(f) No, Sir.

(g) In view of (f) above, does not arise.

(h) and (i) An Action Plan is under implementation for the enhancement and upgradation of the production facilities of the Government Opium and Alkaloid Works (GOAWs), Neemuch and Ghazipur for manufacture of opium alkaloids/active pharmaceutical ingredients and other value added products.

(j) In view of (h) & (i) above, does not arise.

[Translation]

#### **Loan for DPC**

2776. SHRI RAMJI LAL SUMAN:  
SHRI NAWAL KISHORE RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether several banks and financial institutions have provided loans for construction of a under construction power generating project of 2,184 mw capacity being executed by Dabhol Power Corporation;

(b) if so, the names of the banks and financial institutions which have provided loans and the amount of loans provided by them separately;

(c) the names of foreign banks and financial institutions which have provided loans for the said project alongwith the amount of loans provided by them separately; and

(d) the amount of loans repaid out of the total loans taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) In accordance with the practices and usages customary amongst the banks and in conformity with provisions of statutes governing the financial institutions as also the provisions of the Public Financial Institutions (obligations as to Fidelity and Secrecy) Act, 1983, the information in respect of the constituents of the Banks/ Public Financial Institutions can not be divulged.

[English]

#### **Stapling of Currency Notes**

2777. SHRI P.S. GADHAVI: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has issued directives to all the banks imposing ban on the stapling of currency notes;

(b) if so, the guidelines issued to banks;

(c) whether these guidelines also apply to foreign and private sector banks;

(d) whether RBI has requested the banks to install currency counting machines with digital display system;

(e) if so, the estimated cost of installing such machines in various branches of banks; and

(f) by when these machines are likely to be installed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Yes, Sir. RBI has issued directive to all commercial banks, Regional Rural Banks, Local Area Banks including foreign and private banks to do away with stapling of fresh/re-issuable/non-issuable note packets and instead secure note packets with paper bands.

(d) Banks have been advised to install dual display note counting machines at their counters to facilitate counting of packets by the customers.

(e) The cost of note counting machines ranges from Rs. 5000/- onwards depending upon the features present in the machine.

(f) Banks are already in the process of installing note counting machines.

#### **World Bank Assistance in the Transport Sector**

2778. SHRI PRABODH PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has proposed to invest \$ 1 billion per year in India's transport sector; and

(b) if so, the total investment likely to be made by the World Bank in Transport Sector of India in the near future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Government of India in consultation with the World Bank has identified transport sector as one of the key infrastructure sectors for scaling up support during the next Country Assistance Strategy (CAS) for the period 2004-2008.

(b) Total investment by the World Bank in the transport sector will depend upon finalisation of feasible proposals relating to the sector.

### Import of Pepper

2779. SHRI A. VENKATESH NAIK: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware that import of pepper from Sri Lanka has increased many times during 2001-02 to 2002-03 as a result of free trade agreement with that country;

(b) if so, the details thereof;

(c) whether the domestic pepper industry has been affected adversely by these imports;

(d) if so, whether the Government have taken or propose to take any effective measures to put a cap on import of pepper under the concessional duty; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) There is an increase in import of pepper during 2002-2003 over the previous year not only from Sri Lanka but also global imports in the following manner:

Year	Imports from Sri Lanka		Global Imports	
	Quantity (tonnes)	Value Rs. Lakhs	Quantity (tonnes)	Value Rs. Lakhs
2000-2001	1759.00	2790.66	6024.75	8001.68
2001-2002	1240.54	1805.08	6328.16	5636.27
2002-2003	6373.61	5888.10	15750.00	12521.43

Source: Spices Board.

(c) to (e) The total production of pepper in India and its exports is as follows:

Year	Total Production of Pepper in India (Quantity in tonnes)	Exports from India (Quantity in tonnes)
2000-2001	63670	19250
2001-2002	50800	24000
2002-2003	80000*	20000

Source: Spices Board.

\*Estimate for the year 2002.

From above it would appear clear that the total exports of pepper is much higher than the total global imports of pepper to India. Further, the imports of pepper from Sri Lanka during the year 2002-2003 is only 8% of the total production of pepper in India and therefore it cannot be conclusively stated that the domestic pepper industry is adversely affected due to these imports.

### Indian Economic Forum Summit

2780. SHRI V. VETRISILVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Indian Economic Forum Summit was held recently at New Delhi;

(b) if so the issue discussed by the experts in the Summit; and

(c) the outcome of the Summit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Yes, Sir. The India Economic Summit was held in New Delhi during November 23-25, 2003. The Summit considered and made recommendations relating to economic and social reforms, international/geopolitical issues, foreign direct investment (FDI), corporate governance and sectoral recommendations.

### Misuse of Anticipatory Bail

2781. SHRI IQBAL AHMED SARADGI: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether there has been a number of cases of misuse of provisions of anticipatory bail in the country;

(b) if so, whether the Malimath panel has proposed for curtailing powers of court in this regard;

(c) if so, the details thereof; and



(d) the steps taken by the Government in this regard?

(c) Does not arise.

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (d) Malimath Committee has noted that a Session Court of High Court is empowered to grant bail u/s 438 of Criminal Procedure Code irrespective of the fact whether it has the jurisdiction to hear the matter or not. Further, the law does not require the public prosecutor being heard, irrespective of the gravity of the offence. It is stated that this provision has been often misused by rich and influential people and proposed that Section 438 of the Criminal Procedure Code regarding anticipatory bail be amended to the effect that such power should be exercised only by the court of competent jurisdiction only after giving the public prosecutor an opportunity of being heard. The report of the Malimath Committee has been forwarded to the State Governments for their comments. The Criminal Law is on the concurrent list of the Seventh Schedule of the Constitution. Therefore, amendments to the Criminal Procedure Code 1973 and Indian Penal Code 1860 on the basis of the recommendations of the Malimath Committee will depend on views of the State Government as well as that of the Central Government and no definite time frame can be fixed.

[English]

#### **Income Tax Officials Involved in Corruption Cases**

2783. DR. M.P. JAISWAL:  
SHRI BIR SINGH MAHATO;

Will the Minister of FINANCE be pleased to state:

(a) the number of officers and employees of Income Tax and Customs Department caught red-handed in corruption cases during the last financial year;

(b) the details of the items confiscated from them;

(c) the number of persons out of the above against whom trials are going on alongwith the status thereof; and

(d) the details of the initial departmental action taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) 25 trap cases have been registered by the CBI against 23 officials of Income Tax and 13 officials of Customs and Central Excise during the last financial year 2002-03.

(b) All the 25 cases are either under investigation or under trial. Hence, there is no question of confiscation of any item from the accused persons before conclusion of trial or without specific order from the Court.

(c) 31 officials have been charge sheeted in 22 cases in the court and they are facing trial.

(d) 3 officials in 1 case have been referred by CBI to the concerned department for initiating regular departmental action against them.

#### **Impact of FTA with South East Asian Countries**

2784. SHRI RAM MOHAN GADDE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has signed the free trade pacts with the Southeast Asian neighbours without arming the domestic consumer electronics industry;

(b) if so, the reasons for which the agreement were signed without consulting Indian Industry;

[Translation]

#### **Revenue Earnings**

2782. SHRI HARIBHAI CHAUDHARY:  
DR. M.P. JAISWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to raise revenue earnings in the event of the expenditure exceeds the estimates;

(b) if so the details of the new methods adopted/to be adopted to raise the revenue earnings after presentation of the general budget of the current year; and

(c) the extent to which the general public of the country would be affected with the Government's move to mobilise the additional revenue alongwith reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) It is always the endeavour of the Government to keep its expenditure within the budgeted estimates.

(c) whether the Government has received several memorandum from Indian Industry against these pacts; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) A framework Agreement for Comprehensive Economic Cooperation was signed between India and ASEAN in the Second ASEAN India Summit, Bali, Indonesia on 8th October, 2003. Likewise; a Framework Agreement for Establishing Free Trade Area between India and Thailand has been signed in Bangkok, Thailand on 9th October, 2003. These Framework Agreements include provisions relating to free trade area in goods, services, investments and have identified various areas of economic cooperation. Further, the Agreements include Early Harvest Programme/Scheme (EHP/EHS) under which tariff concessions would be exchanged on an agreed common list of items. These items were finalised in consultation with various administrative Ministries/Departments and negotiations between the Parties.

(c) and (d) The Government has received representations from various sources which not only included suggestions relating to exclusion of certain items but also inclusion of items in the EHP/EHS lists. Equivalent tariff concessions to Indian exporters are available on exports of EHP/EHS items and therefore Indian exporters can export on a preferential basis to Thailand and other ASEAN countries. These Agreements are aimed at strengthening our trade, investment and economic cooperation with our Southeast Asian neighbours consistent with our Look East Policy.

#### **Export of Handicrafts Items**

2785. SHRI K.P. SINGH DEO: Will the Minister of TEXTILES be pleased to state:

(a) whether Government is aware of the handicrafts export potential in Orissa;

(b) if so, the steps taken to promote export of handloom and handicraft items from that State; and

(c) the achievements made in this regard during the last three years and target set for 2003-2004?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The steps taken to promote export of handloom and handicrafts item from the country including the State of Orissa include: Organisation of Buyer-Seller Meets in important markets abroad; Participation in leading International al fairs & exhibitions; Upgradation of looms and imparting of technical know-how in various production processes such as heaving, dyeing etc.; Development & diversification of the product range; Dissemination of market intelligence and trade information through the Handloom Export Promotion Council and Export Promotion Council for Handicrafts; Availability of incentives to exporters under the different export promotion schemes such as Duty Entitlement Pass Book Scheme/Duty Drawback Scheme etc; Financial assistance provided under the Handicraft and Handloom Export Schemes for development of exportable products and publicity & marketing thereof; Updating of website at frequent intervals to update information to the buyers about the handicrafts/handloom products; Assistance to Handloom Export Promotion Council, Export Promotion Council for Handicrafts and Carpet Export Promotion Council under the MDA Scheme for market promotion activities; and Organisation of Indian Handicrafts and Gift Fair and Carpet Expo's at New Delhi.

(c) The State-wise export data is not maintained. However the achievement made in this regard during the last three years for the country and target set for 2003-2004 are as under:

(Rs. In crores)

S.No.	Years	Export of handloom Items	Export of handicraft including handknotted carpets	Total
1.	2000-2001	2127.44	Rs. 9270.50	11397.94
2.	2001-2002	2064.94	Rs. 9205.63	11270.57
3.	2002-2003	2633.27	Rs. 10933.67	13566.94

A target of Rs. 2666.04 crores and Rs. 11204 crores has been fixed for handlooms and handicrafts exports respectively for the year 2003-2004.

#### **Constitutional Amendment**

2786. SHRI PRAVIN RASHTRAPAL: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Ministry is aware of Constitutional amendment of article 16(4A) and subsequent DOP OM No. 20011/1/2001-Estt (D) dated 21st January, 2002;

(b) if so, whether the Ministry has implemented the said circular with retrospective effect with effect from 30th January, 1997;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) Yes, Sir.

(c) No such case has arisen so far.

(d) Does not arise.

#### **Excise Duty Evasion**

2787. SHRI PRIYA RANJAN DASMUNSI: Will the Minister of FINANCE be pleased to state:

(a) the details of the companies whose excise duty evasion, as found by the Government to the tune of Rs. more than 500 crores, are under judicial scrutiny due to the appeal filed by the companies;

(b) the details of the expeditious mechanism for the legal side of the Government has been worked out for disposing such matters at the earliest in the greater interest of revenue mobilisation of the country;

(c) whether any top personnels of the Customs Department or the Finance Ministry are known to be involved who joined as Advisors or the Consultants of these companies after their retirement from the Finance Ministry; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) The details of the companies against whom the evasion of excise duty of Rs. 500 crore and above was confirmed and the order is under judicial scrutiny due to the appeal filed by the companies are as given below:

(1) M/s. ITC Ltd.

(2) M/s. GAIL.

(b) Government takes all legal measures for expeditious disposal of appeals pending with various judicial authorities. Directorate of Legal Affairs under Central Board of Excise and Customs has been set up for day-to-day monitoring of cases pending with Supreme Court.

(c) and (d) Government has not granted sanction, as required under C.C.S. (Pension) Rules, for any top personnels who served in the Central Board of Excise and Customs or Finance Ministry and known to be involved in the above mentioned cases, to join as Advisors or the Consultants of the said companies, after their retirement.

#### **Schemes for Tribal Women**

2788. DR. N. VENKATASWAMY: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Government has launched an exclusive scheme for Tribal women namely "Adivasi Mahila Sashastikaran Yojana";

(b) if so, the details of the scheme;

(c) the number of projects approved under the said scheme and financed by NSTFDC during each of the last three years, State-wise;

(d) the number of tribal women who have benefited under the scheme State-wise;

(e) whether the studies has been conducted to asses the impact of the scheme in making tribal women economically independent and self-reliant; and

(f) if so, the outcome thereof?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) and (b) Yes, Sir. The "Adivasi Mahila Sashastikaran Yojana (AMSY)" has been launched by the National Scheduled Tribes Finance & Development Corporation (NSTFDC) for providing concessional financial assistance exclusively for eligible Scheduled Tribe women for undertaking economically viable projects costing upto Rs. 50,000/-. Under the Scheme, promoter's contribution is not insisted upon. Rate of interest is charged at 20% p.a. from the State level channeling Agencies (SCAs) and the SCAs may charge maximum interest @ 4% p.a.

from the women beneficiaries. Under the scheme, the maximum repayment period is 10 years, including suitable moratorium period.

(c) and (d) the scheme was launched in April, 2002. The details of sanction etc. are given in the statement enclosed.

(e) and (f) No, Sir. The Planning Commission has been assigned the work of carrying out an evaluation study of schemes assisted by the National Scheduled Tribes Finance & Development Corporation (NSTFDC). This study, interalia, shall also assess the impact of AMSY on tribal women.

**Statement**

*Year 2002-2003*

(Rs. in Lakhs)

S.No.	Name of the State	Sanctions			Disbursements
		No. of Projects	NSTFDC's share	No. of Beneficiaries	
1.	Andhra Pradesh	1	29.00	100	—
2.	Jammu & Kashmir	1	1.90	5	—
3.	Maharashtra	8	214.00	800	149.75
4.	Madhya Pradesh	1	105.00	300	—
5.	Rajasthan	1	34.00	100	13.26
6.	Tripura	2	8.00	20	8.00
7.	West Bengal	8	233.00	2000	233.00
<b>Total</b>		<b>22</b>	<b>624.90</b>	<b>3325</b>	<b>404.01</b>

*Year 2003-2004 (as on 30.11.03)*

(Rs. in Lakhs)

S.No.	Name of the State	Sanctions			Disbursements
		No. of Projects	NSTFDC's share	No. of Beneficiaries	
1.	Maharashtra	1	7.50	150	—
2.	Rajasthan	1	26.25	70	1.50
3.	Tripura	1	3.50	10	3.50
4.	West Bengal	4	94.50	960	54.50
<b>Total</b>		<b>7</b>	<b>131.75</b>	<b>1190</b>	<b>59.50</b>

**Export of Meat**

2789. SHRI BHARTRUHARI MAHTAB: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the target fixed for the export of meat and meat products during 2002-03;

(b) if extent to which target has been achieved;

(c) the share of West Bengal, Kerala and Tamil Nadu therein;

(d) the incentive given by the Government to meat exporters; and

(e) the steps being taken by the Government to boost the export of meat products?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) Exports being dependent on a host of factors, including external factors, no targets as such are or can be fixed.

Exports of meat and meat products during the last three years is as under:

Year	Value (in Rs. crores)
2000-01	1469
2001-02	1193
2002-03	1377

Source: DGCI&S, Kolkata.

(c) State-wise data on exports is not maintained.

(d) and (e) Agricultural and Processed Food Products Export Development Authority (APEDA) operates various schemes under which financial assistance is provided to the exporters for purchase of reefer vans, implementation of international quality assurance systems, setting up of in house quality control laboratories, etc. Efforts are constantly made for opening up of new markets.

#### **Expansion of Spindle Capacity**

2790. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government insists that textile units should set up matching downstream capacity if they want to go for expansion of their existing spindle capacity;

(b) if so, the details of these guidelines formulated by the Government;

(c) the reaction of textile industry to such conditions;

(d) whether this will improve the scientific and technological standards of the textile sectors; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. Under the Technology Upgradation Fund Scheme (TUFS), there are certain specific eligibility conditions for spinning segments. This includes that new units or capacity expansion in an existing unit will be permitted only if investment is also made in downstream matching capacity in yarn processing or weaving preparatory and/or weaving/knitting and/or sewing thread manufacturing, which must be installed simultaneously; provided that an existing spinning unit expanding its capacity to 12,000 or more spindles but not more than 25000 spindles shall be required to install down stream permissible manufacturing capacity matching with 50% of the expanded spinning capacity.

(c) Government has received requests to permit installation of fresh spinning capacity in existing spinning mills without the condition of installation of down stream capacity to the extent of 100% or 50% of expanded capacity in the case of units having spinning capacity between 12,000 and 25,000 spindles. South Indian Mills Association (SIMA), Coimbatore vide its letter dated 10th February, 2003 has conveyed its reservation to this modification stating that the proposed amendment would result in creation of additional capacity and further add to the already existing demand and supply mismatch.

(d) and (e) Ahmedabad Textile Industry's Research Association (ATIRA) has been asked to study the proposal for enabling the Government to take a decision.

#### **Liabilities of Union Government/ North Eastern States**

2791. SHRI P.R. KYNDIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of outstanding liabilities of the Union Government and the State Governments of the North Eastern Region and Sikkim during the last three financial years, year-wise;

(b) whether the liabilities of the Union Government both internal and external which registered a declining trend as proportion of the GDP till 1998-99 have started rising thereafter, and

(c) if so, the reasons for the same with the measures has been taken by the Government to reduce such liabilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The total outstanding liabilities of the Union Government has increased from Rs. 1168541 crore in 2000-01 to Rs. 1561876 crore in 2002-03 (Revised Estimate). During the same period, the outstanding liabilities of State Governments of the North Eastern Region and Sikkim is estimated to increase from Rs. 19860 crore to Rs. 26238 crore.

(b) The external liabilities of the Union Government as proportion of GDP have shown secular decline since 1991-92. However, internal liabilities have been increasing since 1996-97.

(c) The liabilities of the Government have increased as growth in expenditure has outpaced the growth in non-debt receipts. Government has been following a comprehensive strategy to moderate growth in non-developmental expenditure and augment its receipts.

#### Financial Crisis in IDBI

2992. SHRI A. NARENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Development Bank of India (IDBI) has been facing financial crisis for the last few years;

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

(c) the alternative measures adopted by IDBI to improve its financial position;

(d) the number of bogus companies as well as those which have since been closed to whom loans were provided by IDBI leading to financial crisis, State-wise; and

(e) the steps taken for recovery of outstanding loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) IDBI has not suffered any losses to date. However, the model of development banking has come under strain. The flow of concessional funds to IDBI from the National Industrial Credit (Long Term Operations) Fund maintained by RBI dried up. In tune with the recommendations of

the Committee on Financial System (The First Narasimham Committee-1991), the system of allocating quota to the Development Financial Institution for issuance of SLR Bonds was dismantled. The enlarged role of banks coupled with their relatively lower cost of funds, caused pressure on the operating margin of IDBI also.

(c) The IDBI has taken measures for reducing the growing incidence of Non-Performing Assets (NPAs). IDBI has initiated concerted moves to improve overall asset quality by exercising selectivity in sanctioning proposals alongwith reduction in average cost of funds through prepayment/restructuring of existing high cost liabilities (with partial government support) and greater accent on retail resource mobilization. The Industrial Development Bank (Transfer of Undertaking and Repeal) Bill to provide for the transfer and vesting of the undertaking of the IDBI to, and in, the company to be formed and registered as a Company under the Companies Act, 1956 would enable IDBI to carry on banking business and would providing long term sustainability for IDBI's operations.

(d) and (e) IDBI has not sanctioned assistance to bogus companies. IDBI, inter alia, undertakes a rigorous check of the antecedents of the promoters before sanctioning assistance. Nevertheless, some companies assisted by it have subsequently closed down due to a combination of environmental, industry specific and unit specific factors. In order to tackle the problem of NPAs, the IDBI is taking recourse to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and DRTs/Courts. The other initiatives taken by IDBI to reduce to stock of NPAs include recovery of dues through Negotiated/One-Time Settlements (OTS), restructuring of corporate debts under the Corporate Debt Restructuring (CDR) mechanism and more focused efforts on loan recovery.

#### Loans through Banks to Small Scale Units

2793. SHRI S.D.N.R. WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) the number of branches set up by various commercial banks in Karnataka as on date; and

(b) the steps taken by these branches during last three years to extend loan to the small scale units in that State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) As on 30th June 2003, Karnataka has 3645 branches of commercial banks (public and private sector banks).

(b) With a view to ensure enhanced flow of credit to SSI Sector, Reserve Bank of India (RBI) and the Government have inter-alia taken the following measures:

- (1) Banks have been advised to ensure that out of their total funds lent to SSI Sector, atleast 40% should be made available to units with investment in Plant and Machinery upto Rs. 5 lakhs and 20% should be made available to units with investment in plant and machinery between Rs. 5 lakhs and Rs. 25 lakhs. Thus, 60% of the funds earmarked for SSI Sector should go to small units in tiny sector.
- (2) In the Mid-Term Review of Monetary and Credit Policy 2003-04 announced by RBI, Governor, Banks have been advised to increase the limit of dispensation of collateral requirement for loans from the existing level of Rs. 15 lakhs to Rs. 25 lakhs based on good track record and financial position of the SSI Units.
- (3) Banks have been advised to enhance the composite loan limit from Rs. 25 lakhs to Rs. 50 lakhs.
- (4) Banks have been advised to open at least one Specialised SSI branch in each district. Further, banks have been permitted to categorise their general banking branches having 60% or more of their advances to SSI Sector as specialised SSI branches in order to encourage them to open more specialised SSI branches for providing better service to this sector as a whole.
- (5) Introduction of new Credit Guarantee Scheme for Small Industries by SIDBI, Collateral Free Loans upto Rs. 25 lakh is covered for guarantee under the scheme.
- (6) As per the decisions taken at the Standing Advisory Committee Meetings of RBI, the banks have been advised to fix self set target for growth in advances to SSI Sector over the previous year's achievement and overall trends in growth of net bank credit.
- (7) As per the announcement made by the Hon'ble Finance Minister in the Union Budget 2003-04 IBA have already advised the banks to adopt the interest rate band of 2% above and below its prime lending rate (PLR) for secured advances. The individual banks will be adhering to the instructions issued by the IBA with the approval of their respective Boards. Banks have

also been advised to examine having three slabs of rate of interest for loans upto Rs. 50,000/-, between Rs. 50,000/- and Rs. 2,00,000/- and those above Rs. 2,00,000/-.

Banks have been advised to adhere to all the policy measures/instructions issued by RBI from time to time.

[Translation]

#### **Assistance to Jewellery Exporters**

2794. SHRI MANIKRAO HODLYA GAVIT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Union Government is providing any financial assistance to the exporters of Gem and Jewellery;

(b) if so, the details thereof alongwith the criteria being adopted in this regard;

(c) the amount of financial assistance provided to the exporters during each of the last three years, State-wise;

(d) whether the jewellery exporters from West Bengal have sought any financial assistance from the Ministry during this year;

(e) if so, the details thereof; and

(f) the response of the Ministry thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) At present, Government is providing financial assistance to the exporters of the Gem & Jewellery under the Marketing Development Assistance (MDA) Scheme. Assistance is provided for participation in Trade Fair/Exhibition/Buyer Seller Meets (BSMs)/Trade Delegation and Publicity abroad in general countries and Focus Areas viz., Latin American Countries (LAC), Africa and focus countries of CIS region as specified in MDA code. Assistance would be permissible on travel expenses by air, euro rail etc., in economy excursion class fair @ 90% for exporters having valid SSI registration certificate

and 75% for others including merchant exporters subject to an upper ceiling of Rs. 60,000/- per tour (Rs. 90,000/- for Focus Areas) per participation in Export Promotion Council (EPC) etc. led trade delegations and Buyer Seller Meets (BSMs) abroad. Assistance is also permissible on travel expenses by air and/or charges of the built up furnished stall, electricity and water charges @ 90% for SSI exporters and 75% for others including merchant exporters for participation in trade fair/exhibitions abroad subject to an upper ceiling of Rs. 1,10,000/- per participation (Rs. 1,40,000/- for Focus Areas). Exporters having an export turnover of Rs. 4 crore or less in the preceding financial year are eligible for MDA assistance on the above prescribed scales. However, Exporter having an annual export turn over more than Rs. 4 crore in preceding financial year will be eligible to avail MDA assistance for two participation in International Trade Fair/ Exhibitions/Council's sponsored BSMs only on charges of built up furnished stalls for display of products on percentage basis and upper financial ceilings as mentioned in the MDA code. MDA assistance is given to exporters on reimbursement basis through concerned EPCs/Boards etc.

MDA funds released to the Gem & Jewellery Export Promotion Council (GJEPC), Mumbai, a representative body of the trade, for disbursement to the member exporters against their approved activities during the last three years are as under:

Year	MDA funds released
2000-2001	Rs. 55,000/-
2001-2002	Rs. 42,00,000/-
2002-2003	Rs. 2,48,25,000/-

(d) to (f) As per the GJEPC, for the financial year 2003-2004, three exporters from West Bengal had applied for the grant under MDA for participation in Trade fair/ exhibition. However, no MDA funds have been released to GJEPC for disbursement to the Member exporters against their approved activities during this year, so far.

[English]

#### **Computerisation of High Court of Kerala**

2795. SHRI V.S. SIVAKUMAR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government propose to take any steps to provide financial assistance to the maximum extent possible for the project proposal of computerisation of Subordinate Judiciary and High Court of Kerala as proposed by the national Information Centre and duly recommended by the Government of Kerala; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) and (b) The High Court of Kerala has sent proposals which include, inter-alia, computerisation of High Courts and computerisation of courts in subordinate judiciary.

A proposal to computerise the city courts of the state capitals or the place where the High Courts are located is under examination. This will be pilot project to begin with. There is no proposal to computerise other subordinate courts at present.

#### **Funds to Projects of Various States**

2796. SHRI RAMSHETH THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has fixed any guidelines for giving loans, financial assistance and grant-in-aid for various projects/schemes in special and not special category States;

(b) if so, the details thereof; and

(c) the grant-in-aid and loan provided to various States including Maharashtra during 2002-2003 and current year so far, project-wise & Scheme-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The loan: grant ratio for Special category and other States for the Schemes under Central Plan Assistance to States is given in the Statement-I enclosed.

(c) Statement-II is enclosed.



**Statement I**

*Loan : Grant Ratio for Special/Non-Special Category States for the Schemes under Central Plan Assistance.*

Sr. No.	State Plan Scheme	Special Category States		Non-Special Category States	
		Loan (%)	Grant (%)	Loan (%)	Grant (%)
1.	Normal Central Assistance	10	90	70	30
2.	Special Plan Assistance	10	90	70	30
3.	Special Central Assistance	10	90	70	30
4.	Slum Development Scheme	10	90	70	30
5.	Hill Area/Western Ghats Development Programme	10	90	10	90
6.	Border Area Development Programme	—	100	—	100
7.	Externally Aided Projects	10	90	70	30
8.	Accelerated Irrigation Benefit Programme	100	—	100	—
9.	Pradhan Mantri Gramodaya Yojna	10	90	70	30
10.	Accelerated Power Development and Reforms Programme (APDRP)*	10	90	50	50
11.	Rural Electrification	100	—	100	—
12.	National Social Assistance Programme.	—	100	—	100
13.	Urban Reforms Incentive Fund	—	100	—	100
14.	Rashtriya Sam Vikas Yojna	—	100	—	100
15.	Other projects	10	90	70	30

\*100% grant to all States in case of Incentive Component of APDRP.

**Statement II**

*Loan and grant provided to States for State plan schemes*

(Rs. in crores)

Sr.No.	Scheme	2002-03				2003-04 (so far)			
		All States		Maharashtra		All States		Maharashtra	
		Loan	Grant	Loan	Grant	Loan	Grant	Loan	Grant
1	2	3	4	5	6	7	8	9	10
1.	Normal Central Assistance	8994.60	9020.49	429.98	184.28	8077.71	8054.82	436.80	187.20
2.	Special Plan Assistance	78.30	704.70	0.00	0.00	74.15	667.35	0.00	0.00
3.	Special Central Assistance	76.94	692.48	0.00	0.00	86.94	782.50	0.00	0.00
4.	Slum Development Scheme	208.45	101.06	38.50	16.50	137.08	66.39	28.86	12.36

1	2	3	4	5	6	7	8	9	10
5.	Hill Area/Western Ghats Development Programme	15.89	143.22	2.09	18.82	8.72	78.48	1.05	9.48
6.	Border Area Development Programme	0.00	325.00	0.00	0.00	0.00	140.26	0.00	0.00
7.	Externally Aided Projects	5315.92	2961.95	258.68	119.15	4001.24	2076.76	181.68	78.77
8.	Accelerated Irrigation Benefit Programme	3061.70	0.00	133.13	0.00	701.92	0.00	60.00	0.00
9.	Pradhan Mantri Gramodaya Yojna	1333.36	1285.32	76.42	32.75	614.34	545.83	38.21	16.38
10.	Accelerated Power Development and Reforms Programme (APDRP)*	662.26	1367.01	69.24	207.13	105.98	541.47	15.00	15.00
11.	Rural Electrification	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12.	National Social Assistance Programme.	0.00	653.23	0.00	49.33	0.00	442.41	0.00	36.99
13.	Urban Reforms Incentive Fund	—	—	—	—	—	102.86	0.00	35.93
14.	Rashtriya Sam Vikas Yojna	0.00	200.18	0.00	0.00	0.00	308.03	0.00	15.00
15.	Other projects	652.62	829.54	39.21	16.80	254.61	212.03	0.00	0.00

### Marble Import Policy

2797. SHRI AJIT KUMAR PANJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indian entrepreneurs engaged in marble industries are shifting their bases to Sri Lanka, to overcome the grave trade crisis arising out of present policy of the Government of putting restrictions for import of raw marble blocks;

(b) if so, the details thereof alongwith the reasons for putting such restrictions;

(c) whether this act of entrepreneurs has resulted inemployment drain to Sri Lanka and considerable revenue losses for the country;

(d) if so, whether the Government propose to review the policy with the protect domestic marble Industry; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY

AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) No such report has come to the notice of the Government.

(b) to (e) Do not arise.

### World Bank Loan to HP

2798. COL. (RETD.) DR. DHANI RAM SHANDIL: Will the Minister of FINANCE be pleased to state:

(a) the amount of World Bank Loan advanced to the State of Himachal Pradesh during the current Tenth Five Year Plan period;

(b) the schemes taken up from these loans, project-wise and year-wise;

(c) the total amount of interest accrued on the loans;

(d) whether any repayment process for the advanced loan has started; and

(e) if so, the amount that has so far been repaid?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (e) One multi-state project financed by World Bank, namely, Technical Education Quality Improvement Project, in which Himachal Pradesh is a participating state, has

been signed during the current Tenth Five Year Plan period. The project envisages financial support to a number of competitively selected engineering institutions in the first phase. Funds are released to the project in accordance with the Additional Central Assistance mechanism. The utilization upto October, 2003 has been USD 6.17 million out of IDA credit of USD 250 million for the entire project.

#### **Funds to States**

2799. SHRI BASU DEB ACHARIA:  
SHRIMATI NIVEDITA MANE:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has mooted a proposal to ease the borrowing costs for States to finance their annual plans;

(b) if so, the details of the proposals that have been considered;

(c) whether the Union Government is looking at providing funds to states in the form of negotiated loans out of the balance of National Small Savings Fund;

(d) if so, whether these loans could be at a rate well below rates for such loans which States contract from institutions like LIC and HUDCO; and

(e) if so, to what extent this decision has been helpful for the States to improve their financial position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) and (e) Do not arise.

#### **Details of Vacant Posts**

2800. DR. JASWANT SINGH YADAV: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the details of posts lying vacant in the Ministry of Law and Justice and its subordinate office, undertakings as on 31st October, 2003, category-wise;

(b) the date since when these posts are lying vacant;

(c) the reasons for keeping these posts vacant;

(d) the time by which these posts are likely to be filled?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (d) Information is being collected and will be laid on the Table of the House.

#### **RBI Reserves with Foreign Banks**

2801. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has been keeping a large portion of its cash component as reserves with foreign banks instead of other Indian banks;

(b) if so, the details about the currency and deposits place with the foreign banks and the Indian banks as on date; and

(c) the reasons for giving preference in depositing their reserves with the foreign banks and depriving the benefits accruing to such deposits to the Indian banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India invests a little more than 20% of its foreign exchange reserves in the form of short term deposits with Bank for International Settlements, foreign central banks as also foreign commercial banks. The foreign commercial banks identified for this purpose have top-notch credit rating and do not have any history of default at all.

(c) The international norms currently in vogue do not permit investment of foreign exchange reserves with any domestic entities, including Indian Banks. This is also considered prudent, from the point of view of the heightened need for liquidity at times of any balance of payments-related difficulty, as the Indian banks would also run out of foreign exchange liquidity in such situations and will then be hard pressed to repay/prepay any deposits placed with them by RBI.

#### **Utilisation of Funds for Investors Protection**

2802. SHRI KIRIT SOMAIYA: Will the Minister of FINANCE be pleased to state:

(a) whether the fund earmarked for last three years for Investors Protection has been utilized.

(b) if so, the details thereof till date;

(c) the details of funds which remained unutilized;

(d) the details of amount of unclaimed dividend etc. received in the Consolidated Fund of India, year-wise; and

(e) the measures/activities undertaken under this fund?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) to (c) The Investor Education and Protection Fund was established on 1-10-2001. The details since then are as under:

Financial Year	Allocated (Rs.)	Utilized (Rs.)	Unutilized (Rs.)
2001-2002	57 lakhs	3 lakhs	54 lakhs
2002-2003	3.02 crores	1.87 crores	1.15 crores
2003-2004	3 crores	20.16 lakhs (till date)	—

(d) The details are as under:

Financial Year	Amount (Rs.)
2001-2002	29.38 crores
2002-2003	108.37 crores

(e) Financial assistance has been extended for Investors' Education through seminars, print and electronic media, by sponsorship of a computer web-site. It has also been decided to extend assistance to NGOs (Non-Governmental Organisations) who successfully contest legal cases on behalf of groups of investors. assistance is also available to organisations who are in a position to take up research activity in the area of Investor Protection.

#### Multilateral Debt

2803. SHRI SADASHIVRAO DADOBA MANDLIK:  
SHRI C.N. SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether India has paid some multilateral debt ahead of schedule;

(b) if so, the details thereof;

(c) the total debt burden on India alongwith the interest payable thereon till date; and

(d) the steps taken/being taken by the Union Government to reduce the debt burden?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) As a part of its prudent debt management policy, Government of India prematurely repaid high cost loans owed to the World Bank and Asian Development Bank amounting to US\$ 2.9 billion in 2002-03. During 2003-04 so far, high cost Currency Pool Loans of the World Bank amounting to US\$ 1.4 billion have been prematurely repaid.

(c) The total external debt as at end-June 2003 stood at US\$ 109.6 billion. Total debt service stood at US\$ 14.0 billion in 2002-03 comprising US\$ 10.1 billion as principal and US\$ 3.9 billion as interest payment.

(d) Government of India has been following a prudent debt management policy as a result of which the key debt indicators have shown consistent improvement. Total external debt to GDP ratio that stood at 38.7 per cent in 1991-92 has declined to 20.0 per cent in 2002-03.

#### Hall Marking of Gold

2804. SHRI A. BRAHMANAIAH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government launched "the Hall Marking Scheme of Gold Jewellery" in 2000;

(b) if so, the salient features thereof;

(c) the reasons for the lack of enthusiasm for this scheme so far;

(d) whether State Governments are being asked to popularise this scheme; and

(e) if so, their response thus far to this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) Yes, Sir. In order to protect consumers from

being cheated while purchasing gold jewellery, the 'Hallmarking Scheme of Gold Jewellery' was launched by Bureau of Indian Standards (BIS) in April 2000 under the BIS Act, 1986. The scheme is voluntary in nature. The principal objectives of the scheme are to ensure that the common consumer is assured of the purity of gold jewellery purchased by him and to guide the manufacturers to maintain legal standards of fineness.

(c) to (e) The lack of enthusiasm for this scheme could be attributed to inadequate infrastructure with respect to availability of Hallmarking Centres in the country and lack of public awareness. BIS is presently operating this Scheme on voluntary basis only. Efforts to popularize the scheme are made through a structured action plan implemented by 5 Regional and 19 Branch Offices of BIS catering to all states of the country. So far State Governments have not specifically been asked to popularize this scheme.

#### **FDI in Banks**

2805. SHRI PRABODH PANDA:  
SHRI AJOY CHAKRABORTY:  
DR. RAMESH CHAND TOMAR:  
SHRI SULTAN SALAHUDDIN OWAIISI:  
SHRI RAGHURAJ SINGH SHAKYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to raise Foreign Direct Investment limit in private sector banks to 74 percent from the present 49 percent;

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

(c) its likely impact on public sector banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government have taken an in principle decision to enhance the limit on Foreign Direct Investment in banking companies to facilitate setting up of subsidiaries by foreign banks and to invite investment in private sector banks. Modalities for implementing the decision are being worked out and executive instructions are expected to issue thereafter.

(c) It will have no impact in terms of ownership control and regulation of Nationalised Banks.

#### **Tie up with World Economic Forum**

2806. SHRI V. VETRISELVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether as a reversal of policy, the Government is entering into a tie up with the World Economic Forum and the Confederation of Indian Industry to support the annual India Economic Summit;

(b) if so, the details thereof; and

(c) the likely benefit to India to this tie up?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) to (c) No, Sir. It is the consistent policy of the Government of India to engage with the global investors, business and the Governments for advancement of economic and commercial interest of the country. The Memorandum of Understanding is committed to building the partnership among the members of World Economic Forum, Confederation of Indian Industry (CII) and the Department of Industrial Policy and Promotion, with a view to enhance the image and perception on India for economic advancement.

#### **Textile trade with Britain**

2807. SHRI IQBAL AHMED SARADGI: Will the Minister of TEXTILES be pleased to state:

(a) whether India and Britain have decided to have a joint meeting to give a boost to the textile sector in 2004;

(b) if so, the details thereof;

(c) whether any agreement between the two countries has been reached;

(d) if so, the details thereof; and

(e) the extent to which export of Indian garments and handicrafts to Britain will improve thereby?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) Does not arise, in view of (a) above.

(c) No, Sir.

(d) and (e) Do not arise, in view of (c) above.

### Management of Calcutta Stock Exchange

2808. SHRI K. YERRANNAIDU: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noticed deficiencies in the management of Calcutta Stock Exchange;

(b) if so, the details thereof with the steps being taken to streamline the working of the Calcutta Stock Exchange; and

(c) the steps SEBI is taking to ensure proper working of stock exchanges in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The Securities and Exchange Board of India (SEBI) conducted an inspection of Calcutta Stock Exchange (CSE) and found several deficiencies in the risk management and surveillance system of the exchange. The Committee of CSE was unable to discharge its duty towards the exchange and the investors. The functioning of the Committee had created uncertainty and ambiguity even amongst the members of the committee and insecurity amongst the investors. Also, the financial condition of the exchange was also found to be very weak. The situation warranted immediate action to stop the further deterioration of the functioning of the Committee.

Thus, SEBI superseded the Committee of CSE on December 04, 2003 for a period of one year and appointed Shri Tushar Kanti Das, IAS (Retd.) as administrator of the exchange to exercise and perform all the powers and duties of the Committee.

(c) In order to remove operational, market and systemic risk SEBI has taken following major steps to ensure proper working of the stock exchanges:

- (1) Issued orders in January 2002 specifying that no broker member of the stock exchanges shall be an office bearer of an exchange, i.e., hold the position of President, Vice President, Treasurer, etc.
- (2) Advised the exchanges to have time bound arbitration proceedings.
- (3) Exchanges have been advised to submit a scheme of corporatisation and demutualization.

To facilitate the process, a Bill to amend the Securities Contracts (Regulation) Act, 1956 has been introduced in the Parliament on August 19, 2003, and is presently being examined by the Standing Committee on Finance.

- (4) Advise the stock exchanges that no broker director shall be authorized to sign any cheques or operate any bank accounts on behalf of the stock exchange.
- (5) Issued model bye-laws, in October, 2003, which would be applicable to all exchanges.
- (6) Introduced shorter settlement cycles.
- (7) Started holding weekly surveillance meetings with stock exchanges and depositories.

### Filing of Income Tax Returns

2809. SHRI K.P. SINGH DEO: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has a proposal to introduce electronic filing of tax returns;

(b) if so, the cities where the Income-Tax Department has introduced this system; and

(c) the year by which electronic filing of tax returns is likely to be introduced in all the major cities in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) The Government has introduced the "Electronic Furnishing of Returns of Income Scheme, 2003" w.e.f. 25th July, 2003.

(b) The scheme has been introduced in Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Ahmedabad and Kolkata.

(c) The Government intends to expand the scope of the Scheme and cover more cities.

### FI's Loan to Dabhol Power Project

2810. PROF. UMMAREDDY VENKATESWARLU:  
SHRI BASU DEB ACHARIA:

Will the Minister of FINANCE be pleased to state:

(a) whether financial institutions have been criticised by the Reserve Bank of India for not classifying large loans given to Dabhol Power Project as NPAs;

(b) which are the banks and financial institutions which have come in for this criticism;

(c) the steps RBI has taken to ensure that financial institutions maintain transparency and declare their financial position accurately; and

(d) the penalties which will be imposed by RBI on these erring financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The veracity of the classifications of large loans is verified at the time of Annual Financial Inspection (AFI) of the Financial Institutions. Only two FIs have extended loans to Dabhol Power Project. In both cases, AFI has not been finalised.

(c) and (d) Recognising considerable divergence among the financial institutions in the nature and manner of disclosures made by them in their published annual reports, the disclosure norms were introduced by the Reserve Bank of India for the financial institutions in March, 2001 with a view to bringing about uniformity in the disclosure practices adopted by them and improving the degree of transparency in their affairs. Such disclosures, which came into effect from the financial year 2000-01 and were subsequently enhanced, are required to be made as part of the "Notes on Accounts" to enable the auditors to authenticate the information. These disclosures constitute only minima and if any financial institution desires to make disclosures are regarding capital, asset quality and credit concentration, liquidity, operating results, movements in the provisions, restructured accounts, forward rate agreements, interest rate swaps and interest rate derivatives.

#### Schemes for North-Eastern States

2811. SHRI P.R. KYNDIAH: Will the Minister of TEXTILES be pleased to state the schemes sponsored by the Central Government for development of textiles industry in the North-Eastern States alongwith the amount disbursed during each of the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): The major textile based schemes/programmes being implemented in the North-Eastern Region are in the Handlooms, Sericulture and Handicrafts. Statewise details of the plan funds disbursed in these sectors during the last three years i.e. 2000-01 to 2002-03 is given in the statement enclosed.

#### Statement

*Statewise break up of Plan disbursements for Textiles in North Eastern States during the last three years i.e. 2000-01 to 2002-03*

(in Rs. lakhs)

State/Sector	2000-01	2001-02	2002-03
	1	2	3
<b>1. Handlooms</b>			
Arunachal Pradesh	179.58	476.04	47.33
Assam	549.20	887.20	955.82
Manipur	364.79	0.00	608.57
Meghalaya	29.10	11.54	15.75
Mizoram	10.25	0.00	39.06
Nagaland	257.08	364.50	148.16
Tripura	77.02	3.92	7.72
Sikkim	2.50	0.00	0.00
<b>Total</b>	<b>1469.52</b>	<b>1743.20</b>	<b>1822.41</b>
<b>2. Sericulture*</b>			
Arunachal Pradesh	11.25	12.03	2.67
Assam	206.03	164.87	119.03
Manipur	0.07	0.00	0.00
Meghalaya	13.87	72.98	33.11
Mizoram	12.90	39.27	84.49
Nagaland	10.32	22.82	2.49
Tripura	31.29	45.42	36.56
Sikkim	5.65	3.25	15.48
<b>Total</b>	<b>291.38</b>	<b>360.64</b>	<b>293.83</b>
<b>3. Handicrafts</b>			
Arunachal Pradesh	24.45	197.84	13.65
Assam	129.95	133.60	212.36

	1	2	3
Manipur	73.62	34.55	40.21
Meghalaya	44.92	4.42	16.60
Mizoram	19.62	20.42	17.67
Nagaland	99.11	63.55	127.78
Tripura	41.03	46.60	31.41
Sikkim	14.45	10.81	0.00
Total	447.15	511.79	459.68

\*Figure of statewide disbursement under Centrally Sponsored Scheme of Catalytic Development Programme (CDP).

#### Utilization of Centre for Perishable Goods

2812. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether APEDA proposes to conduct a study on the utilisation of 'the Centre for perishable goods'; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) Yes, Sir.

(b) Offers have been invited from consultants through advertisements in the newspapers and Agricultural and Processed Food Products Export Development Authority (APEDA)'s website. Offers have been received and are being evaluated.

[Translation]

#### Handloom Exhibitions/Fairs

2813. SHRI RAMSHETH THAKUR:  
SHRI ASHOK N. MOHOL:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has made a plan to organise handloom exhibitions in the world, particularly in America and gulf countries;

(b) if so, the details thereof;

(c) whether the Government has received a suggestion to develop a brand for handloom also on the pattern of woolmark; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. The Office of the Development Commissioner for Handlooms has been providing financial assistance to agencies such as Handloom Export Promotion Council (HEPC), Association of Corporations and Apex Societies of Handlooms (ACASH) and Handicrafts and Handlooms Exports Corporation of India Ltd., (HHEC) for participation in international fairs and exhibitions. Besides participation in international fairs are exhibitions, HEPC has also been organising Buyer-Seller-Meets (BSMs) in the countries which are potential markets for Indian handlooms. The following are the international events in which the handloom exporters of India have been regularly participating in the recent years:

1. Heimtextile Fair, Frankfurt, Germany.
2. Tex-Styles India Fair, New Delhi.
3. Home Furnishing Fair (BSM), Japan.
4. Textiles D' Interior Premiere (TIP), Brussels, Belgium.
5. Heimtextile India Fair, New Delhi.

Apart from these annual events, HEPC has also been organising Buyer-Seller-Meets in such countries as Canada, USA, Australia, New Zealand, South Africa etc. The Council proposes to organise stand alone textile shows in Italy (Milan) & Greece (Athens) and in Scandinavian countries in 2004. Under the Market Development Assistance Programme during 2004-05, the Council proposes to participate in the New York Home Textile Show during October 2004. HEPC is also deploring the possibility of promotion of home furnishing in the Gulf countries, particularly in UAE and Saudi Arabia. The Council proposes to take part in one of the leading international fairs in this regions in the coming year if the market for home furnishing is promising.

(c) and (d) In a recent meeting of the State Secretaries and Directors in charge of Handlooms, a suggestion has emerged for developing a brand for Indian handlooms. The same is at a conceptual stage at present.



[English]

### Call Centres of LIC

2814. COL. (RETD.) DR. DHANI RAM SHANDIL: Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation has decided to set up more call centres in the country to provide information relating to services of LIC to its customers;

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

(c) the number of call centers known as Info Centres are functioning in the country as on date, location-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The Life Insurance Corporation of India (LIC) has informed that they do not have any immediate plans to open more call centres in the country.

(b) Does not arise.

(c) The total number of call centers known as Info Centres functioning as on the date in the country are 8 which are located in Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Bangalore, Ahmedabad and Pune.

### Consortium of Apparel Exporters

2815. SHRI A. VENKATESH NAIK:  
SHRI ASHOK N. MOHOL;

Will the Minister of TEXTILES be pleased to state:

(a) whether the Apparel Exporters are facing intense competition with China;

(b) if so whether a consortium of apparel exporters from SAARC countries propose to face competition of the post quota regime from January, 2005 collectively;

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

(d) the corrective steps taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) India's apparel exporters are facing stiff competition from our neighbouring countries, including China, in the

liberalised trading regime resulting from phase-out of quotas, removal of quantitative restrictions and lowering of tariffs.

(b) There is no such proposal before the Ministry of Textiles.

(c) Does not arise, in view of (b) above.

(d) Government has been taking a number of measures for enabling the industry to successfully face the emerging competition. Some of the important initiatives are:

- (i) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also raised the SSI investment limit for knitted segment to Rs. 5 crores.
- (ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- (iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facilitate of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.
- (iv) With a view to making fabric production competitive, the custom duty on shuttleless looms has been brought from 15% to 5%.
- (v) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.
- (vi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.
- (vii) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

(viii) For upgrading infrastructure facilities at important textile centers, a scheme 'Textile Centre Infrastructure Development Scheme' (TCIDS) has been launched.

(ix) The Textile Export Promotion Councils have been undertaking promotional measures for boosting exports of textiles including readymade garments.

#### **Issue of New Coins**

2816. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to issue new coins in different denominations;

(b) if so, the details thereof and how far the release of coins would be economical in comparison to the currency notes issued in these denominations; and

(c) the time by which the new coins of different denominations are likely to be made available for circulation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The matter is under consideration of Government in consultation with Reserve Bank of India.

*[Translation]*

#### **Power of SEBI**

2817. DR. JASWANT SINGH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to provide more resources and technological facilities to SEBI to check insider trading in share market;

(b) if so, the details thereof; and

(c) the time by which it is likely to come into effect and the expenditure likely to be incurred thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Upgradation of skills and technical facilities is an on-going activity in SEBI and as a part of it, SEBI has taken the assistance of reputed agencies to bring in state-of-art technology to detect potential insider trading manipulations/violations across financial instruments and markets.

*[English]*

#### **Securities held by RBI**

2818. SHRI A. BRAHMANAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to increase the securities held by RBI;

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

(c) whether this increase will affect the open market operations of RBI and bring about a reduction on liquidity in the country; and

(d) if so, the details thereof and its impact on different section of the society who need funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government proposes to raise equivalent rupee resources for prepayment of specified external loans through private placement of securities with RBI during the current year.

(c) and (d) RBI utilizes the securities in its portfolio for open market operations as part of its monetary policy to manage liquidity in the economy. Such operations impact on liquidity at aggregate level and are undertaken keeping in view the overall requirement of funds in the economy.

#### **New Pact with Sri Lanka**

2819. SHRI V. VETRISILVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India and Sri Lanka have signed/propose to sign a Comprehensive Economic Partnership Agreement to widen the scope of trade and commerce between the two countries;

(b) if so, the details of the new pact;

(c) whether new segments of industry, services and investments would be incorporated in the new pact;

(d) if so, the details thereof; and

(e) the extent to which trade would increase as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) Yes, Sir. There is a proposal to enter into a Comprehensive Economic Partnership Agreement (CEPA) between India and Sri Lanka.

(b) Details of the CEPA are yet to be negotiated by both countries.

(c) In this regard, a Joint Study Group (JSG) was set up by both Governments pursuant to the meeting between two Prime Ministers in the month of June, 2002. The JSG has since submitted its report to two Prime Ministers on 20th October, 2003 in New Delhi. The JSG has recommended that CEPA could address issues such as reducing items under the Negative List, harmonization of customs procedure, standardised trade facilitation. Additionally, the CEPA would include trade in services, investment and economic cooperation.

(d) The details are yet to be negotiated.

(e) As per the Report submitted by the JSG, presently India accounts for 3.6 per cent of Sri Lanka's total exports. It could be targeted to increase to 10 per cent by 2008. On the other hand, India's total exports to Sri Lanka are only 14 per cent of Sri Lanka's imports, which could be targeted to double by 2008. This is based on the assumption that the global exports to India and Sri Lanka would grow at a rate of 10-12 per cent and the trade between the two countries would grow at four times that rate. Similar targets can be established for bilateral investment between the two countries, since there is much potential for growth in a supportive environment. Goals could also be set in key service sector industries. For example, each nation sets targets aimed at increasing substantially the number of tourist arrivals from the other country by 2008.

#### **India's Rank on Global Competitiveness Report**

2820. SHRI IQBAL AHMED SARADGI: Will the Minister of FINANCE be pleased to state:

(a) whether India has slipped three places to be ranked 56th in the global competitiveness report 2003-04 released by the World Economic Forum;

(b) if so, the main reasons therefor; and

(c) the steps being taken to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) In the Global Competitiveness Report 2003-04 released by the World Economic Forum, India, is ranked 56 among 102 countries in terms of growth competitiveness compared to its rank of 54 among 80 countries in the report for 2002-03. Its rank has reduced mainly due to inclusion of more countries in the coverage of the report.

#### **Trade Agreement with Indonesia**

2821. SHRI K.P. SINGH DEO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of various trade agreements signed between India and Indonesia during the last three years;

(b) the details of the goods exported to and imported from Indonesia under the agreement during the above period; and

(c) the proposal of expansion of Indo-Indonesia trade under consideration at present?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) No trade agreements have been signed with Indonesia during the last three years.

(b) The major commodities exported to Indonesia are petroleum products, rice, wheat, primary and semi-finished iron & steel, dyes and coal tar chemicals, oil meals, machinery and instruments, inorganic/organic, agro-chemicals, miscellaneous processed items and ground nut.

The principal commodities imported from Indonesia are vegetable oils (edible), coal, coke and briquettes, metaliferous ores and metal scrap, organic/inorganic chemicals, cashew nuts, pulp, waste paper and electronic goods.

(c) Expansion of trade with Indonesia is an on-going process. It has been the constant endeavour of the Government to expand the bilateral trade with friendly countries like Indonesia. Steps taken in this direction include meetings between trade officials of both sides,

interaction between business delegations, encouraging participation in fairs/exhibitions.

**Standing Technical Committee on Financial Regulation**

2822. PROF. UMMAREDDY VENKATESHWARLU:  
Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has set up a Standing Technical Committee on Financial Regulation;

(b) if so, the composition and terms of reference of the committee; and

(c) the time by which committee is expected to give its report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The Reserve Bank of India has appointed a Standing Advisory Committee on Financial Regulation on 20.11.2003. The composition and terms of reference are given in the statement enclosed.

(c) The Committee will initially function for two years from the date of its first meeting.

**Statement**

*Standing Technical Advisory Committee on Financial Regulation*

The composition and terms of reference of the Standing Technical Advisory Committee on Financial Regulation is as under:

**Chairperson**

Smt. K.J. Udeshi  
Deputy Governor  
Reserve Bank of India  
Mumbai.

**Members**

1. Shri A.K. Purwar, Chairman, State Bank of India, Mumbai.
2. Shri S.S. Kohli, Chairman and Managing Director, Punjab National Bank, New Delhi.
3. Shri A.K. Batra, Member, Securities & Exchange Board of India, Mumbai.

4. Shri M. Damodaran, CMD, Industrial Development Bank of India, Mumbai

5. Dr. P.J. Nayak, Managing Director, UTI Bank Ltd., Mumbai.

6. Shri Niall S.K. Booker, CEO—India, HSBC, Mumbai.

7. Shri M.G. Bhide, Director, CRISIL, Mumbai.

8. Dr. N.L. Mitra, Vice Chancellor, National Law University, Jodhpur.

9. Shri G.K. Raman, Director, Sundaram Finance Ltd., Chennai.

10. Shri H.N. Sinor, CEO & Secretary, Indian Bank's Association, Mumbai.

**Secretaries**

1. Shri C.R. Muralidharan, Chief General Manager, Reserve Bank of India, Mumbai.

2. Shri A.K. Mishra, General Manager, Reserve Bank of India, Mumbai.

**Permanent Invitees**

1. Shri Vepa Kamesam, Deputy Governor, Reserve Bank of India, Mumbai.

2. Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India, Mumbai.

3. Smt. Shyamala Gopinath, Executive Director, Reserve Bank of India, Mumbai.

The Committee may associate any other person as special invitee.

The terms of reference of the Committee are:

- (a) to review current regulatory regime with a view to help RBI in simplifying and rationalizing it, in particular to move towards clearer as well as unambiguous regulatory prescriptions and enhance internal control systems;
- (b) to consider the existing regulatory practices on prudential norms and disclosure standards for banks and non banks regulated by RBI and recommend measures for progressive alignment with international best practices consistent with India's needs;

- (c) to advise on the changes needed from time to time, in the regulatory framework in the light of the emerging diversification of business mix of the financial services industry;
- (d) to help analyse, as appropriate, harmonization of regulatory and prudential norms for the various entities in the financial services sector in alignment with prescriptions of other regulators;
- (e) to explore appropriate regulatory responses to developments in the banking and financial markets;
- (f) to outline the steps to be taken by the RBI and banking entities in the context of Basel II norms;
- (g) to suggest measures for strengthening corporate governance in institutions regulated by RBI; and
- (h) to tender advice on any other specific issue relevant to the regulation of financial sector either referred to it by the RBI or considered appropriate by the Committee.

#### Export of Textiles

2823. SHRI P.R. KYNDIAH: Will the Minister of TEXTILES be pleased to state:

- (a) the total amount of exports in textiles and clothings (garments) during the last three years;
- (b) the percentage in global market;
- (c) the share of textile export in other South Asian countries; and
- (d) which country has the highest share of textiles export in the global market?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) As per Directorate General of Commercial Intelligence & Statistics (DGCI&S) data, the textiles and clothing exports during the last three years have been as follows:

(Value in US\$ million)

	2000-01	2001-02	2002-03
Total Textile & Clothing Exports	12037.6	10764.7	11842.2

(b) and (c) As per World Trade Organisation (WTO) data, the percentage share of India and other major South Asian countries in total global textiles & clothing is as follows:

% Share in 2001

Country	Textiles	Clothing
India	3.66	2.83
Pakistan	3.08	1.10
Bangladesh	0.32	2.20
Sri Lanka	0.14	1.26
Nepal	0.11	0.08

(d) As per the WTO Report, presently China holds the highest share in the global textiles & clothing trade.

#### Current Account of the Country

2824. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether the country's current account has registered a deficit of \$ 1.2 billion during the April-June, 2003 period; and

(b) if so, the reasons therefor indicating with the corresponding period of the previous year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The current account of India's balance of payment recorded a deficit of US \$ 1204 million during April-June, 2003 compared with a surplus of US\$ 410 million in April-June, 2002. The current account has turned into a deficit, after six successive quarters of surplus, mainly on account of strong import growth, reflecting an upsurge in domestic economic activity.

#### Allocation of Foodgrains

2825. COL. (RETD.) DR. DHANI RAM SHANDIL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government has recently decided to increase the allocation of foodgrains for Public Distribution System and also for the Antyodaya and Mid-day-meal scheme;

(b) if so, the details thereof;

(c) whether some State Governments have not been able to lift the foodgrains allocated to them;

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

(e) whether the Union Government has fixed any time limit for lifting of the foodgrains; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) and (b) No, Sir. However, the Government has decided to expend the Antyodaya Anna Yojana (AAY) to cover additional 50 lakh BPL families. Guidelines were issued to all the State Governments/UT Administrations for identification of the additional Antyodaya families. Additional foodgrains have been allocated to those State Governments who have identified additional Antyodaya families.

(c) and (d) A Statement showing State-wise, scheme-wise details of allocation and offtake of foodgrains under

Targeted Public Distribution System (TPDS) (including Antyodaya) and Mid-day-Meal (MDM) scheme during 2002-03 and 2003-04 (April-October, 2003) is enclosed.

The lifting of foodgrains by States depends on several factors such as parity between the issue prices of foodgrains and open market prices, availability of foodgrains in the open market, purchasing power of the consumers and eating habits etc.

(e) and (f) Yes, Sir. Allocations of foodgrains to the States/UTs under TPDS are made on bi-monthly basis, one month in advance. A period of 90 days ending on last day of bi-monthly allocation is given to the States/UTs to lift the allocations.

Allocation of foodgrains under MDM scheme is made annually for ten academic months. State implementing agencies are advised to lift the foodgrains monthly, not exceeding the 1/10th quantity of the total allocation in a single month.

#### **Statement**

#### *Statewise Allocation and Offtake of Foodgrains Under Targeted Public Distribution System (Including Antyodaya Anna Yojana) and Mid-Day Meal (MDM) Scheme during 2002-03.*

(in lakh tonnes)

Sl. No.	States/UTs	Allocation					Offtake				
		BPL	APL	AAY	Total	MDM	BPL	APL	AAY	Total	MDM
1	2	3	4	5	6	7	8	9	10	11	12
1.	Andhra Pradesh	14.448	22.667	2.616	39.731	2.237	14.413	3.501	2.346	20.261	1.848
2.	Arunachal Pradesh	0.351	0.737	0.063	1.152	0.050	0.321	0.412	0.057	0.790	0.008
3.	Assam	6.723	9.581	1.182	17.586	0.917	5.295	4.159	1.049	10.503	0.436
4.	Bihar	22.442	22.915	4.200	49.557	2.429	4.383	0.035	3.339	7.758	1.328
5.	Chhattisgarh	5.797	10.458	1.207	17.462	0.746	0.828	0.049	0.047	0.924	0.003
6.	Delhi	1.583	11.029	0.134	12.747	0.202	1.304	1.450	0.116	2.870	0.038
7.	Goa	0.129	1.198	0.031	1.358	0.21	0.065	0.066	0.023	0.154	0.000
8.	Gujarat	7.627	28.584	1.365	37.576	0.652	3.937	0.296	1.155	5.389	0.271
9.	Haryana	2.609	11.488	0.470	14.567	0.461	1.822	0.435	0.429	2.687	0.429
10.	Himachal Pradesh	1.709	3.593	0.331	5.633	0.192	1.415	0.219	0.326	1.960	0.188

1	2	3	4	5	6	7	8	9	10	11	12
11.	Jammu & Kashmir	2.281	4.250	0.474	7.005	0.247	2.091	2.567	0.322	4.981	0.005
12.	Jharkhand	8.147	2.163	1.539	11.849	0.518	2.261	0.037	1.097	3.395	0.163
13.	Karnataka	11.139	20.706	2.004	33.849	1.536	10.953	5.595	1.799	18.347	1.171
14.	Kerala	5.526	18.089	1.000	24.615	0.471	3.236	1.745	0.995	5.976	0.471
15.	Madhya Pradesh	12.743	27.655	2.656	43.054	2.107	9.854	0.295	2.516	12.665	1.862
16.	Maharashtra	23.236	50.136	4.207	77.579	2.979	13.839	0.207	3.637	17.682	2.516
17.	Manipur	0.439	0.475	0.107	1.021	0.086	0.383	0.098	0.110	0.591	0.080
18.	Meghalaya	0.651	0.441	0.118	1.209	0.130	0.608	0.127	0.109	0.844	0.126
19.	Mizoram	0.243	0.481	0.044	0.768	0.028	0.243	0.467	0.044	0.754	0.023
20.	Nagaland	0.441	0.735	0.079	1.256	0.048	0.453	0.241	0.080	0.773	0.048
21.	Orissa	14.844	12.851	2.123	29.818	1.238	3.620	0.628	1.817	6.066	1.050
22.	Punjab	1.664	16.330	0.301	18.295	0.486	0.882	0.105	0.152	1.139	0.361
23.	Rajasthan	8.040	30.026	1.565	39.631	1.540	6.365	1.470	1.491	9.327	1.414
24.	Sikkim	0.154	0.392	0.028	0.574	0.023	0.151	0.082	0.029	0.262	0.022
25.	Tamil Nadu	17.519	38.420	2.905	58.843	1.080	13.167	0.213	2.876	16.256	0.788
26.	Tripura	1.049	1.817	0.190	3.056	0.138	1.006	0.272	0.188	1.466	0.101
27.	Uttar Pradesh	36.885	78.408	6.854	122.147	4.457	23.664	0.172	6.958	30.794	4.107
28.	Uttaranchal	1.618	4.319	0.321	6.258	0.247	0.962	0.059	0.192	1.214	0.139
29.	West Bengal	17.028	42.468	3.078	62.573	2.929	7.427	2.787	2.036	12.250	2.178
30.	Andaman & Nicobar Islands	0.074	0.364	0.018	0.456	0.011	0.030	0.198	0.000	0.228	0.009
31.	Chandigarh	0.087	0.792	0.009	0.888	0.013	0.014	0.001	0.009	0.024	0.004
32.	Dadar & Nagar Haveli	0.055	0.071	0.012	0.139	0.008	0.028	0.013	0.009	0.050	0.004
33.	Daman & Diu	0.014	0.100	0.003	0.117	0.003	0.003	0.001	0.002	0.006	0.002
34.	Lakshadweep	0.004	0.052	0.002	0.057	0.000	0.000	0.027	0.000	0.027	0.000
35.	Pondicherry	0.313	0.509	0.039	0.860	0.013	0.108	0.007	0.031	0.146	0.012
Total		227.711	474.300	41.275	743.286	28.241	135.132	28.037	35.387	198.557	21.202

2003-04  
(In Lakh Tonnes)

*Statement showing Statewise Allocation and Offtake of Foodgrains Under Targeted Public Distribution System (Including Antyodaya Anna Yojana) and Mid-Day Meal (MDM) Scheme during 2003-04 (April-October, 2003).*

Sl. No.	States/UTs	Allocation					Offtake				
		BPL	APL	AAY	Total	MDM	BPL	APL	AAY	Total	MDM
1	2	3	4	5	6	7	8	9	10	11	12
1.	Andhra Pradesh	8.210	13.223	1.744	23.177	1.783	7.954	2.530	1.738	12.223	0.604
2.	Arunachal Pradesh	0.205	0.350	0.037	0.592	0.055	0.186	0.338	0.034	0.558	0.003
3.	Assam	3.980	3.872	0.690	8.541	0.971	3.693	1.744	0.633	6.070	0.360
4.	Bihar	12.945	13.367	2.450	28.762	2.453	3.169	0.007	2.106	5.282	0.81
5.	Chhattisgarh	3.281	6.101	0.805	10.186	0.566	0.565	0.021	0.023	0.610	0.000
6.	Delhi	0.924	5.813	0.078	6.815	0.217	0.967	1.242	0.074	2.283	0.013
7.	Goa	0.075	0.690	0.018	0.783	0.013	0.044	0.016	0.015	0.074	0.005
8.	Gujarat	4.398	16.261	0.796	21.455	0.601	2.503	0.090	0.314	2.907	0.159
9.	Haryana	1.555	5.916	0.276	7.747	0.459	1.224	0.022	0.264	1.510	0.167
10.	Himachal Pradesh	1.351	2.035	0.193	3.579	0.185	1.211	0.231	0.199	1.641	0.082
11.	Jammu & Kashmir	1.526	2.574	0.277	4.377	0.247	1.460	1.593	0.277	3.330	0.000
12.	Jharkhand	4.845	1.262	0.898	7.004	0.518	1.578	0.035	0.749	2.362	0.074
13.	Karnataka	6.491	12.079	1.175	19.745	1.459	6.290	4.454	1.073	11.817	0.488
14.	Kerala	3.223	10.552	0.584	14.359	0.433	2.361	0.903	0.585	3.849	0.217
15.	Madhya Pradesh	7.276	14.790	1.707	23.772	1.658	5.118	0.021	1.466	6.605	0.614
16.	Maharashtra	13.554	27.422	2.454	43.430	2.236	9.093	0.038	2.201	11.332	1.030
17.	Manipur	0.256	0.277	0.063	0.595	0.089	0.222	0.120	0.057	0.399	0.038
18.	Meghalaya	0.379	0.263	0.069	0.711	0.103	0.440	0.123	0.080	0.642	0.052
19.	Mizoram	0.140	0.242	0.028	0.409	0.019	0.142	0.284	0.026	0.452	0.007
20.	Nagaland	0.254	0.437	0.050	0.741	0.052	0.262	0.408	0.049	0.720	0.020
21.	Orissa	8.659	6.741	1.239	16.638	1.238	4.220	0.853	1.235	6.307	0.443
22.	Punjab	0.971	8.594	0.176	9.740	0.455	0.651	0.048	0.099	0.796	0.066
23.	Rajasthan	4.690	16.122	0.913	21.725	1.701	3.456	0.048	0.839	4.343	0.669
24.	Sikkim	0.088	0.151	0.019	0.257	0.015	0.088	0.087	0.018	0.193	0.007



1	2	3	4	5	6	7	8	9	10	11	12
25.	Tamil Nadu	10.164	22.097	1.750	34.010	1.106	9.146	0.969	1.776	11.892	0.328
26.	Tripura	0.612	1.046	0.111	1.768	0.091	0.573	0.257	0.087	0.917	0.044
27.	Uttar Pradesh	22.153	37.884	4.011	64.048	4.912	8.711	0.026	2.908	11.645	1.447
28.	Uttaranchal	1.033	1.946	0.187	3.166	0.236	0.519	0.047	0.095	0.661	0.079
29.	West Bengal	9.933	23.854	1.795	35.582	2.894	5.672	2.376	1.221	9.269	1.268
30.	Andaman & Nicobar Islands	0.043	0.212	0.011	0.266	0.007	0.031	0.090	0.018	0.139	0.002
31.	Chandigarh	0.051	0.441	0.005	0.497	0.010	0.007	0.000	0.005	0.012	0.000
32.	Dadar & Nagar Haveli	0.032	0.042	0.007	0.081	0.007	0.020	0.007	0.004	0.031	0.001
33.	Daman & Diu	0.008	0.055	0.001	0.065	0.003	0.005	0.001	0.001	0.007	0.001
34.	Lakshadweep	0.002	0.022	0.001	0.025	0.000	0.000	0.004	0.000	0.004	0.000
35.	Pondicherry	0.180	0.077	0.025	0.282	0.013	0.094	0.004	0.020	0.118	0.005
Total		133.488	256.804	24.639	414.931	26.802	81.675	19.034	20.290	120.999	9.094

NB: Allocation figures under MDM is for whole 2003-04 year.

[Translation]

**Excise Cases against Industries**

2826. SHRI MAHESHWAR SINGH:  
SHRI ASHOK ARGAL:

Will the Minister of FINANCE be pleased to state:

- whether the inquiry in all the cases have been completed;
- if so, the details thereof;
- if not, the reasons therefor; and
- the present status of the cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) to (d) Cases for evasion of excise duty against industries manufacturing excusable goods are booked by Directorate General of Central Excise Intelligence (DGCEI) and the Commissionerates of Central Excise. At a given point of time, these cases are under different stages such as pending investigation, issue of Show Cause Notice, pending adjudication. During the year 2002-03, a total

number of 5139 cases involving evasion of duty Rs. 4347.79 crore were registered. During the same period, cases booked and the number of Show Cause Notices issued by the DGCEI were 435 and 504 respectively.

[English]

**Sale of Tobacco**

2827. SHRI SHASHI KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- whether the Union Government has received any proposal from Karnataka Government seeking approval for the sale of entire tobacco produced in the State without imposing penalty on the farmers;
- if so, whether the Union Government has considered the proposal seriously and approved it;
- if so, the details thereof; and
- if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION,

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) Government of Karnataka has proposed that the unregistered Flue Cured. Virginia (FCV) tobacco growers be permitted to market their produce on payment of normal service charges.

(b) to (d) After a careful consideration of all relevant factors, the Government has levied a very normal penalty of Rs. 1.50 per kilogram and one per cent of the sale proceeds on marketing of excess FCV tobacco produced by the registered growers and the unauthorised FCV tobacco produced by unregistered growers in Karnataka during the 2003-04 season.

#### **MOU with Germany for Onion Export**

2828. SHRI K.E. KRISHNAMURTHY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether MARKFED has entered into an Memorandum of Understanding with the Germany Company for export of Onions; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) As per information available, Mark-Hort Potatoes (India) Ltd. (MHPIL), Chandigarh, Punjab, a subsidiary of MARKFED, Punjab has entered into an agreement with two German companies for export of onions during 2004.

#### **Bench of Calcutta High Court at Jalpaiguri**

2829. SHRI AMAR ROYPRADHAN: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government of West Bengal and Calcutta High Courts has sent any proposal recommending for establishment of a Bench of Calcutta High Court at Jalpaiguri;

(b) if so, the details thereof; and

(c) the present status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) Both the Chief Justice of the Calcutta High Court and the Government of West Bengal have recommended setting up of a Bench of the Calcutta High Court at Jalpaiguri. As an interim measure, the Government of West Bengal has proposed to house the Circuit Bench at Jalpaiguri Zila Parishad Dak Bungalow, which is under renovation, till a permanent building is constructed at an identified land at "Assam More" in Mouza Khararia, situated at the crossing of the Bye-pass (SH-12A) and the town of Jalpaiguri.

#### **RBI Stake in Banks**

2830. SHRI MAHBOOB ZAHEDI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government had agreed to the Reserve Bank of India's proposal to allow the Central Bank to divest its stake in the State Bank of India, National Housing Bank and NABARD;

(b) if so, the details of the disinvestment; and

(c) the time by when it is likely to be done?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) and (c) Do not arise.

#### **Fast Track Courts**

2831. SHRI CHANDRA BHUSHAN SINGH:  
SHRI SUKDEO PASWAN:  
SHRI R.L. JALAPPA:  
SHRI NARESH PUGLIA:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Supreme Court has fixed December 31, 2003 as the deadline for the State Governments to make fast track courts functional;

(b) if so, the details thereof;

(c) the total number of fast track courts earlier planned to be set up in each State;

(d) the amount released to each States during the last three years; and

(e) the steps taken by the Union Government to ensure compliance of the orders of the Supreme Court in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) Yes, Sir.

(b) The Supreme Court in its order dated 3.11.2003 in the case of Brij Mohan Lal Vs. Union of India & Others has directed the States to make appointment of judges to the remaining Fast Track Courts by 31st December, 2003. In case of default it may consider asking these States to refund the grant received by them from the Central Government.

(c) A Statement-I showing the number of fast track courts to be set up in each State is enclosed.

(d) A Statement-II showing the amount released by the Ministry of Finance to each State is enclosed.

(e) The deadline fixed by the Supreme Court has been conveyed to the concerned State Governments for compliance.

**Statement I**

Sl.No.	Name of the State	No. of Fast Track Courts earmarked by the Eleventh Finance Commission
1	2	3
1.	Andhra Pradesh	86
2.	Arunachal Pradesh	5
3.	Assam	20
4.	Bihar	183
5.	Chhattisgarh	31
6.	Goa	5
7.	Gujarat	166
8.	Haryana	36
9.	Himachal Pradesh	9
10.	Jammu & Kashmir	12
11.	Jharkhand	89
12.	Karnataka	93

1	2	3
13.	Kerala	37
14.	Madhya Pradesh	85
15.	Maharashtra	187
16.	Manipur	3
17.	Meghalaya	3
18.	Mizoram	3
19.	Nagaland	3
20.	Orissa	72
21.	Punjab	29
22.	Rajasthan	83
23.	Sikkim	3
24.	Tamil Nadu	49
25.	Tripura	3
26.	Uttaranchal	45
27.	Uttar Pradesh	242
28.	West Bengal	152
<b>Total</b>		<b>1734</b>

**Statement II**

Sl.No.	Name of the State	Amount released for setting up of FTCs (Rupees in Lakhs)
1	2	3
1.	Andhra Pradesh	2,250.00
2.	Arunachal Pradesh	52.69
3.	Assam	530.10
4.	Bihar	4,766.40
5.	Chhattisgarh	791.10
6.	Goa	125.10
7.	Gujarat	1,939.41
8.	Haryana	422.31
9.	Himachal Pradesh	27.15

1	2	3
10.	Jammu & Kashmir	300.60
11.	Jharkhand	2,319.30
12.	Karnataka	2,431.80
13.	Kerala	465.95
14.	Madhya Pradesh	2,223.90
15.	Maharashtra	2,175.10
16.	Manipur	40.22
17.	Meghalaya	90.00
18.	Mizoram	90.00
19.	Nagaland	54.90
20.	Orissa	1,866.60
21.	Punjab	746.10
22.	Rajasthan	2,166.30
23.	Sikkim	10.06
24.	Tamil Nadu	1,151.90
25.	Tripura	73.80
26.	Uttaranchal	1,173.60
27.	Uttar Pradesh	6,319.80
28.	West Bengal	1,331.48
<b>Total</b>		<b>35,935.67</b>

#### Vacancies in Income Tax

2832. SHRI VIRENDRA KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether a large number of posts are vacant in the Central Excise and Income Tax Department in the country;

(b) if so, the State/Zone-wise Post-wise details of the vacancies as on date; and

(c) the steps taken to fill up these vacancies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) to (c) Information is being collected and will be laid on the Table of the House.

#### Sale of Edible Oil

2833. SHRI PRAKASH V. PATIL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has banned retail loose sale of edible oil and instead ordered the retail sale in packed new tins only;

(b) if so, the details thereof; and

(c) the likely effect on loose retail sellers and the consumers?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (c) Government promulgated the Edible Oils Packaging (Regulation) Order, 1998 so as to ensure availability of safe and quality edible oils to the consumers in packed form. Tin and plastic containers once used are not to be re-used for packaging.

State Governments have been empowered to exempt any edible oil from the provisions of this Order in specific circumstances and for specific period.

#### Rice for Drought Affected BPL Families

2834. DR. M.V.V.S. MURTHI:  
SHRI RAMESH CHENNITHALA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether some State Governments have requested the Union Government to release rice at Below Poverty Line rate for distribution among BPL families in drought affected areas;

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

(c) the quantity of rice supplied to each of these States for meeting the requirements in drought affect areas and the gap between demand and supply?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) Yes, Sir.

(b) and (c) State-wise details of foodgrains demanded and allocated free of cost to the drought affected States for the drought during 2002-03 and 2003-04 are given in the statement-I and II enclosed.

**Statement I***Quantity of Foodgrains Demands for the Drought Year 2002-03 and Allocations made therefor*

(fig. in lakh tonnes)

S.No.	State	Quantity demanded 2002-03	Quantity allocated		Total Quantity allocated
			2002-03	2003-04	
1.	Andhra Pradesh	40.00	20.00	12.20	32.20
2.	Chhattisgarh	12.60	3.29	2.38	5.67
3.	Gujarat	1.95	1.48	1.58	3.06
4.	Haryana	9.72	0.25	—	0.25
5.	Himachal Pradesh*	0.19	0.10	—	0.10
6.	Jharkhand	—	0.40	—	0.40
7.	Karnataka	11.09	5.30	1.90	7.20
8.	Kerala	1.00	0.52	—	0.52
9.	Madhya Pradesh	9.61	4.17	4.74	8.91
10.	Maharashtra	2.00	1.16	1.16	2.32
11.	Orissa	14.19	4.00	5.22	9.22
12.	Rajasthan	56.00	18.98	13.06	32.04
13.	Tamil Nadu	9.00	1.25	3.75	5.00
14.	Uttar Pradesh	20.00	2.00	—	2.00
15.	Uttaranchal	—	0.50	—	0.50
Total		187.35	63.40	44.34	107.74

\*In addition to above, a quantity of 75,000 tonnes of foodgrains at Below Poverty Line rate has also been allocated to Government of Himachal Pradesh for drought affected families during 2002-03.

**Statement II***Quantity of Foodgrains Demanded for the Drought Year 2003-04 and Allocations made therefor.*

(fig. in lakh tonnes)

S.No.	State	Quantity demanded	Quantity allocated
1.	Andhra Pradesh	15.00	1.00
2.	Karnataka	9.90	3.30
3.	Maharashtra	2.00	0.50
Total		26.90	4.80

**Growth of Mumbai**

2835. SHRI CHANDRAKANT KHAIRE: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Maharashtra has submitted any plans for sustained growth of Mumbai in terms of trade, industrial development and bank credit;

(b) if so, the details thereof;

(c) the Central aid sought for infrastructure and other development for realizing the goals set out under the plan; and

(d) the Union Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The Chief Minister of Maharashtra has submitted a memorandum requesting for Central Assistance of Rs. 6,000/- crores, over the next four years, for development of Mumbai city. The memorandum details certain key projects which the Government of Maharashtra plans to undertake in the areas of housing, transportation and other infrastructure, at an estimated cost of Rs. 12,000 crores. Government of India has nominated representatives from Ministry of Finance and Government of India has nominated representatives from Ministry of Finance and Planning Commission in the task force constituted by Government of Maharashtra in this regard. Besides, Central Share of Rs. 190.44 crores has been released to Mumbai, up to 2002-03, and Rs. 29.12 crores has been earmarked for the current year, which would be released on receipt of the utilization certificate for the grants released in 2002-03 and availability of matching State's share.

#### Law for Enforcement of Fundamental Duties

2836. SHRI G.S. BASAVARAJ: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Supreme Court has directed the Union Government to enact a law for the enforcement of fundamental duties by citizens as suggested by the Justice Verma Committee;

(b) if so, the details thereof; and

(c) the time by which a final decision in this regard to likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): (a) to (c) A letter sent by Shri Justice Ranganath Mishra, a retired Chief Justice of India, to the Chief Justice of India for teaching Fundamental Duties to the citizens of the country was treated as Writ Petition. The prayer made in the petition was accepted and a Committee was set up by the Government of India in October 1998 under the chairmanship of Justice J.S. Verma to operationalize the suggestions to teach Fundamental Duties to the citizens of India. The Committee submitted its final Report on 11th January, 2000. The Report has been circulated to all the concerned Departments of the Central Government, State governments and a number of autonomous organizations.

The Supreme Court of India, in August, 2001, had observed that fundamental Duties, as defined in Article

51 A, are not enforceable by a writ of court whereas the Fundamental Rights are. The Hon'ble Supreme Court has in the case of Shri Ranganath Mishra vs UOI & Anr. Reported in 2003(6) has held as under:

"Keeping in view the fact that the Government of India would take notice of the recommendations of the aforesaid Commission/Committee, we agree with Shri K. Parasaran that the same may be considered in its right earnestness by the Central Government and we accordingly direct it do so as also to take appropriate steps for their implementation as expeditiously as possible".

Most of the Ministries/organizations have accepted the recommendations for implementation. However, sensitizing citizens on fundamental duties is a continuous process.

[Translation]

#### Bilingual Forms in UTI.

2837. DR. MAHENDRA SINGH PAL: Will the Minister of FINANCE be pleased to state:

(a) whether circulars/forms are not issued in bilingual language in UTI;

(b) if so, the reasons therefor;

(c) whether incharge of Delhi based office of Unit Trust of India has asked a senior citizen to do correspondence in English only and not in Hindi; and

(d) if so, the steps proposed to be taken by the Government to check violation of official rules and dereliction of Government duty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Specified Undertaking of the Unit Trust of India (SUUTI) which manages the assured return schemes directly handles only its fund management function. Hence very few circulars are issued by SUUTI. Instructions have been reiterated to all concerned to ensure strict compliance and a senior official has been entrusted with the task of monitoring total compliance.

(b) Does not arise.

(c) No such incident has been brought in the notice of SUUTI.

(d) Does not arise.

*[English]***NTC Mills**

2838. SHRI SAVSHIBHAI MAKWANA: Will the Minister of TEXTILES be pleased to state:

(a) whether several workers in NTC mills in Gujarat have opted for VRS;

(b) if so, the number of employees who have opted for VRS, mill-wise in Gujarat;

(c) whether the Government propose to revive NTC mills in Gujarat which have been closed/sick; and

(d) the investment likely to be made during the next two years on these mills?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. The number of employees who have been given VRS mill-wise in NTC (Gujarat) is given in the statement enclosed.

(c) and (d) BIFR has approved the rehabilitation scheme for NTC (Gujarat) Ltd. involving revival of 2 viable mills and closure of 9 unlivable mills. Total proposed investment for revival of 2 viable mills of NTC (Guj.) is Rs. 64.25 crs.

**Statement**

Name of the Mill	No. of employees given VRS
Rajkot Mills	307
Petlad Mills	374
New Manekchowk Text.	777
Viramgam Text. Mills	729
Mahalaxmi Text. Mills	725
Rajnagar-2	467
Ahmedabad Jupiter	751
Himadri	490

**Export of Cotton**

2839. SHRI VINAY KUMAR SORAKE:  
SHRI RAMDAS ATHAWALE:  
SHRI KAMAL NATH:  
SHRIMATI SHYAMA SINGH:

Will the Minister of TEXTILES be pleased to state:

(a) whether the spinning units in the country have sought relief from spiralling cotton prices through a curtailment in cotton export quota for six months;

(b) if so the details thereof;

(c) whether China is importing Indian cotton in large quantity;

(d) if so the whether this surge in Chinese imports is due to crop failure; and

(e) the manner in which the current rise in domestic cotton prices has affected the handloom and powerloom sector?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. Requests have been received to restrict cotton exports, however, Government is keeping a close watch on domestic as well as international scenario for taking appropriate action as and when considered necessary.

(c) and (d) Import of cotton by China during the current cotton season is estimated at 1.2 million metric tons out of which 60% is likely to be imported from USA. Chinese import of Indian cotton is very negligible. Production, consumption and import of cotton in China during 2001-02, 2002-03 and 2003-04 are as under:

Year (August-September)	(In million metric tons)		
	2001-02	2002-03	2003-04
Production	5.32	4.92	5.00
Consumption	5.70	6.40	6.50
Import	0.10	0.69	1.20

Source: International Cotton Advisory Committee.

(e) Prices of cotton yarn (both hank and cone) are ruling higher than the price level of the last year. The

increase in cotton and cotton yarn prices over last year's price level is a global phenomenon and is not confined to India alone, and is therefore unlikely to adversely affect the Indian cotton textile industry in the today's global market. Cotton prices have now shown declining trend from its peak level reached in the first week of November 2003 and it is expected to be stabilised as the arrivals of crop increase. The situation is still evolving and impact, if any, is yet to emerge.

#### **Trade Agreement with China**

2840. SHRI G.S. BASAVARAJ: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the extent to which India's trade with China has improved during 2003-04;

(b) whether the trade agreements signed with China during the Prime Minister's visit has improved the trade relations between the two countries;

(c) if so, whether all the trade agreements signed with that country have been implemented;

(d) if so, the details thereof;

(e) if not, the time by which all agreements likely to be implemented; and

(f) the extent to which trade between the two countries is likely to increase during the coming years as a result of said agreement?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): (a) India-China trade for April-July 2003-04, as compared to the corresponding period of last year is as under:

	April-July		(US\$ Million)
	2002-03	2003-04	%age growth
Export	469.94	616.18	31.12
Import	802.45	1119.57	39.59
Total	1272.39	1735.75	36.41

(Source: DGCI&S)

(b) Yes, Sir.

(c) to (e) during Prime Minister's visit to China in June 2003, the following Agreements relating to trade were signed:

(i) A Memorandum on Expanding Border Trade.

(ii) A Protocol of Phytosanitary Requirements for exporting Mangoes from India to China.

(iii) A Declaration on Principles for Relations and Comprehensive Cooperation including setting up of a compact Joint Study Group (JSG) composed of officials and economists to examine the potential of complementarities between the two countries in expanding trade and economic cooperation.

The process of implementing the MOU on Border Trade has begun. However, no final date has yet been fixed. Protocol on Phytosanitary Requirements has already been implemented. Action has already been initiated to establish Joint Study Group.

(f) While it is not possible to assess the increase in trade in the coming years as a result of the Agreements signed during the visit of Prime Minister to China, expectations are that bilateral trade will grow rapidly and reach US\$ 10 billion mark soon.

#### **Prices of Daily Need Items**

2841. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether the prices of daily need items like vegetables, fruits, eggs, food items, cloth, electricity and edible items have increased;

(b) if so, the impact of the rise in prices on the inflation rate; and

(c) the measures taken to check the rise in price and to contain inflation rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) For the week ending 29.11.2003, the point to point annual inflation rate based on WPI was 5.25 per cent (as against 3.40 percent last year's corresponding week) and that for 30 essential commodities monitored on a weekly basis was 1.71 per cent (as against 3.34 per cent last year's corresponding week). The inflation rate



for the items mentioned, for the same periods, is given below:

Commodities	Annual Inflation rate (Week ending Nov. 29)	
	2002-03	2003-04
All Commodities	3.40	5.25
Foodgrains	2.38	-0.80
Vegetables	-23.04	18.96
Fruits	2.94	4.26
Eggs, Meet & Fish	3.69	-2.04
Eggs	9.72	-6.89
Electricity	3.57	4.07
Sugar, Khandsari & Gur	-11.78	10.56
Edible Oils	28.33	7.79
Long cloth	0.68	5.55
Dhoties, Sarees & Voils	0.77	2.77

(c) Government's anti inflationary policies in recent years include monetary and fiscal discipline; effective management of supply and demand for essential commodities and raw materials through liberal imports, and further strengthening of the public distribution system.

Adequate public stocks of foodgrains have ensured comfortable supply situation and have helped stabilise prices of foodgrains despite the shortfall in domestic production resulting from drought during 2002. The good monsoon experienced this year has raised the hopes for agricultural production during 2003-04.

#### Transshipment Policy of FCI

2842. SHRI RAM MOHAN GADDE: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of transshipment policy of FCI particularly of Uttar Pradesh;

(b) whether this transshipment policy was recently changed in Uttar Pradesh by the present Senior Regional Manager of FCI thereby causing extra burden on the exchequer of the Government;

(c) if so, whether the Union Government has issued directions to restore the earlier policy of transshipment in Uttar Pradesh;

(d) if so, the details thereof; and

(e) the action taken in this regard as on date?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) The transshipment of foodgrains is generally done by the Railways when there is a change of gauge, except at a few places where the FCI undertakes this activity. In Uttar Pradesh, no transshipment has been done by the FCI during the last 4-5 years.

(b) No, Sir. The transshipment point at Gonda, identified by the FCI in 1998 has not been changed and no transshipment has been done there till now, since it was not required.

(c) Does not arise.

(d) Does not arise.

(e) Does not arise.

#### Promotion of Employees

2843. SHRI PRAVIN RASHTRAPAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Ministry of Textiles is aware of Constitutional amendment of article 16(4A) and subsequent DOP OM No. 20011/1/2001-Est. (D) dated January 21, 2002;

(b) if so, whether the Ministry has implemented the said circular with retrospective effect with effect from January 30, 1997;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) to (d) The information is being collected and will be laid on the table of the House.

**Wilful Defaulters of Bank Loans**

2844. SHRI G.S. BASAVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has asked banks/financial institutions to form a committee, consisting of three general managers/deputy general managers, for identifying cases of wilful default;

(b) if so, whether in order to impart more objectivity in identifying cases of wilful default, decision to classify the borrowers as wilful defaulter, in future, may be entrusted to a committee of higher functionaries;

(c) if so, to what extent banks and financial institutions have implemented this decision; and

(d) to what extent it has been helpful?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) As per RBI earlier instructions issued on February 20, 1999 Banks/Financial Institutions (FIs) were required to form a committee consisting of three General Managers/Deputy General Managers for identifying cases of Wilful default. The instructions were modified on July 29, 2003 and Banks and specified FIs were advised to entrust the decisions to classify the borrower as wilful defaulter in future to a committee of higher functionaries headed by the Executive Director and consisting of two GMs/DGMs as decided by the concerned Bank/FIs.

(c) and (d) Banks/FIs are implementing the above instructions as the same is intended towards collective and unbiased decisions at a sufficiently high level in the matter of identifying wilful defaulters.

**Promotion of Employees**

2845. SHRI PRAVIN RASHTRAPAL: Will the Minister of TRIBAL AFFAIRS be pleased to state:

(a) whether the Ministry of Tribal Affairs is aware of Constitutional amendment of article 156(4A) and subsequent DOP OM No. 20011/1/2001-Estt. (D) dated January 21, 2002;

(b) if so, whether the Ministry has implemented the said circular with retrospective effect with effect from January 30, 1997;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): (a) Yes, Sir.

(b) to (d) The information is being collected and will be laid on the table of the House.

**Grant of Industrial Licences**

2846. SHRI G.S. BASAVARAJ: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has decided to grant industrial licences to entrepreneurs directly against their application for projects in the licensed sector;

(b) if so, the extent to which this step has ensured speedy implementation of projects in strategic sectors such as defence oriented production, atomic energy and rare earths etc.;

(c) whether this procedure would also apply to manufacture of items reserved for exclusive production in the small sector; and

(d) if not, the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): (a) and (b) The Government has, vide, Press Note No. 4 (2003 Series) dated 10th October 2003, allowed grant of Industrial Licence directly, by removing the Letter of Intent (LOI) stage, for items other than those reserved for exclusive production in the small scale sector. This is intended to expedite implementation of projects. 12 licences covering various sectors have been issued till November, 2003.

(c) and (d) This procedure does not apply to manufacture of items reserved for exclusive production in small-scale sector by non small-scale industrial undertaking. In such cases, Letter of Intent issued to non small-scale industrial undertaking is converted into an industrial licence only after execution of the legal undertaking to export minimum 50% of production.

2.00 hrs.

**PAPERS LAID ON THE TABLE***[English]*

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): Sir, on behalf of Shri Jaswant Singh, I beg to lay on the Table:

- (1) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 642 of the Companies Act, 1956:
  - (i) The Unlisted Public Companies Preferential Allotment) Rules, 2003 published in Notification No. G.S.R. 922 (E) in Gazette of India dated the 4th December, 2003.
  - (ii) The Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003 published in Notification No. G.S.R. 923 (E) in Gazette of India dated the 4th December, 2003.
  - (iii) The Companies (Acceptance of Deposits) (Third Amendment) Rules, 2003 published in Notification No. G.S.R. 774 (E) in Gazette of India dated the 29th September, 2003.

[Placed in Library. See LT No. 8443/2003]

- (2) A copy of the Notification No. G.S.R. 785 (E) (Hindi and English versions) published in Gazette of India dated the 6th October, 2003 declaring certain companies to be Nidhi under sub-section (3) of section 620A of the Companies Act, 1956.

[Placed in Library. See LT No. 8444/2003]

THE MINISTER OF TRIBAL AFFAIRS (SHRI JUAL ORAM): Sir, I beg to lay on the Table-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 1998-1999, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 1998-1999.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See LT No. 8445/2003]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 1999-2000, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 1999-2000.
- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See LT No. 8446/2003]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi; for the year 2000-2001, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 2000-2001.

- (6) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (5) above.

[Placed in Library. See LT No. 8447/2003]

- (7) (i) A copy of the Annual Report (Hindi and English versions) of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 2001-2002, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tribal Cooperative Marketing Development Federation of India Limited, New Delhi, for the year 2001-2002.

- (8) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (7) above.

[Placed in Library. See LT No. 8448/2003]

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): Sir, on behalf of Shri Arun Jaitley, I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Institute of Constitutional and Parliamentary Studies, New Delhi, for the year 2002-2003, alongwith Audited Accounts.
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Institute of Constitutional and Parliamentary Studies, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8449/2003]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Bar Council of India, New Delhi, for the year 2002-2003, alongwith Audited Accounts.
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Bar Council of India, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8450/2003]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the International Centre for Alternative Dispute Resolution, New Delhi, for the year 2002-2003, alongwith Audited Accounts.
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the International Centre for Alternative Dispute Resolution, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8451/2003]

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES AND MINISTER OF STATE IN THE MINISTRY OF

PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR): Sir, on behalf of Shri Gingee N. Ramachandran, I beg to lay on the Table-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Apparel Export Promotion Council, New Delhi, for the year 2002-2003, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Apparel Export Promotion Council, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8452/2003]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Synthetic and Rayon Textiles Export Promotion Council, Mumbai, for the year 2002-2003, along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Synthetic and Rayon Textiles Export Promotion Council, Mumbai, for the year 2002-2003.

[Placed in Library. See LT No. 8453/2003]

- (3) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:

- (i) Review by the Government of the working of the National Handloom Development Corporation Limited, Lucknow for the year 2002-2003.

- (ii) Annual Report of the National Handloom Development Corporation Limited, Lucknow for the year 2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT No. 8454/2003]

- (4) (i) A copy of the Annual Report (Hindi and English versions) of the Powerloom Development and Export Promotion Council, Mumbai, for the year 2002-2003, along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Powerloom Development and Export Promotion Council, Mumbai, for the year 2002-2003.

[Placed in Library. See LT No. 8455/2003]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Central Wool Development Board, Jodhpur, for the year 2002-2003, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Central Wool Development Board, Jodhpur, for the year 2002-2003.

[Placed in Library. See LT No. 8456/2003]

- (6) (i) A copy of the Annual Report (Hindi and English versions) of the Central Silk Board, Bangalore, for the year 2002-2003.

- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Central Silk Board, Bangalore, for the year 2002-2003, together with Audit Report thereon.

- (iii) A copy of the Review (Hindi and English versions) by the Government of the working of the Central Silk Board, Bangalore, for the year 2002-2003.

[Placed in Library. See LT No. 8457/2003]

- (7) (i) A copy of the Annual Report (Hindi and English versions) of the Carpet Export Promotion Council, Noida, for the year 2002-2003, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Carpet Export Promotion Council, Noida, for the year 2002-2003.

[Placed in Library. See LT No. 8458/2003]

*[Translation]*

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): I beg to lay on the Table-

- (1) A copy of the Annual Report (Hindi and English versions) of the Central Warehousing Corporation, New Delhi, for the year 2002-2003, alongwith Audited Accounts under sub-section (11) of section 31 of the Warehousing Corporation Act, 1962.

- (2) A copy of the Review (Hindi and English versions) by the Government of the working of the Central Warehousing Corporation, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8459/2003]

*[English]*

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO): Sir, I to lay on the Table-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Central Pulp and Paper Research Institute, Saharanpur, for the year 2002-2003, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Central Pulp and Paper Research Institute, Saharanpur, for the year 2002-2003.

[Placed in Library. See LT No. 8460/2003]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Quality Council of India, New Delhi, for the year 2002-2003, along with Audited Accounts.

- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Quality Council of India, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8461/2003]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute of Design, Ahmedabad, for the year 2002-2003, along with Audited Accounts.

- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the National Institute of Design, Ahmedabad, for the year 2002-2003.

[Placed in Library. See LT No. 8462/2003]

- (4) A copy of the Notification No. S.O. 1364 (E) (Hindi and English versions) published in Gazette of India dated the 27th November, 2003 notifying the Cosboard Industries Limited, Jagatpur Industrial Estate, Distt. Cuttack as a Mill producing newsprint, under sub-section (6) of section 3 of the Essential Commodities Act, 1955.

[Placed in Library. See LT No. 8463/2003]

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): Sir, I beg to lay on the Table-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Bureau of Indian Standards, New Delhi, for the year 2001-2002, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Bureau of Indian Standards, New Delhi, for the year 2001-2002.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See LT No. 8464/2003]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the National Cooperative Consumers' Federation of India Limited, New Delhi, for the year 2002-2003, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Cooperative Consumers' Federation of India Limited, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8465/2003]

- (4) A copy of the Sugar (Price Determination for 2002-2003 Production) Amendment Order, 2003 (Hindi and English versions) published in Notification No. G.S.R. 681 (E) in Gazette of India dated the 25th August, 2003, under sub-section (6) of section 3 of the Essential Commodities Act, 1955.

[Placed in Library. See LT No. 8466/2003]

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI SATYA BRATA MOOKHERJEE): Sir, I beg to lay on the Table-

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:

- (a) (i) Review by the Government of the working of the State Trading Corporation of India Limited, New Delhi, for the year 2002-2003.
- (ii) Annual Report of the State Trading Corporation of India Limited, New Delhi, for the year 2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT No. 8467/2003]

- (b) (i) Review by the Government of the working of the PEC Limited, New Delhi, for the year 2002-2003.
- (ii) Annual Report of the PEC Limited, New Delhi, for the year 2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT No. 8468/2003]

- (c) (i) Review by the Government of the working of the MMTC Limited, for the year 2002-2003.
- (ii) Annual Report of the MMTC Limited, for the year 2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT No. 8469/2003]

- (d) (i) Review by the Government of the working of the National Centre for Trade Information, New Delhi, for the year 2002-2003.
- (ii) Annual Report of the National Centre for Trade Information, New Delhi, for the year

2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT No. 8470/2003]

(2) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Institute of Packaging, Mumbai, for the year 2002-2003, alongwith Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Indian Institute of Packaging, Mumbai, for the year 2002-2003.

[Placed in Library. See LT No. 8471/2003]

(3) (i) A copy of the Annual Report (Hindi and English versions) of the Spices Board, Cochin, for the year 2002-2003.

[Placed in Library. See LT No. 8472/2003]

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Spices Board, Cochin, for the year 2002-2003.

(4) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Institute of Foreign Trade, New Delhi, for the year 2002-2003, alongwith Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Indian Institute of Foreign Trade, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8473/2003]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): Sir, I beg to lay on the Table:

(1) A copy each of the following Annual Report and Accounts (Hindi and English versions) of the Regional Rural Banks for the year ended the 31st March, 2003, together with Auditor's Report thereon:

(i) Akola Gramin Bank, Akola

[Placed in Library. See LT No. 8474/2003]

(ii) Allahabad Kshetriya Gramin Bank, Allahabad.

[Placed in Library. See LT No. 8475/2003]

(iii) Aurangabad-Jalna Gramin Bank, Aurangabad.

[Placed in Library. See LT No. 8476/2003]

(iv) Avadh Gramin Bank, Lucknow.

[Placed in Library. See LT No. 8477/2003]

(v) Ballia Kshetriya Gramin Bank, Ballia.

[Placed in Library. See LT No. 8478/2003]

(vi) Basti Gramin Bank Basti.

[Placed in Library. See LT No. 8479/2003]

(vii) Begusarai Kshetriya Gramin Bank, Begusarai.

[Placed in Library. See LT No. 8480/2003]

(viii) Bhagalpur Bank Kshetriya Gramin Bank, Bhagalpur.

[Placed in Library. See LT No. 8481/2003]

(ix) Bhagirath Gramin Bank, Sitapur.

[Placed in Library. See LT No. 8482/2003]

(x) Bhojpur-Rohtas Gramin Bank, Area.

[Placed in Library. See LT No. 8483/2003]

(xi) Balangir Anchalik Gramya Bank, Bolangir.

[Placed in Library. See LT No. 8484/2003]

(xii) Cachar Gramin Bank, Silchar.

[Placed in Library. See LT No. 8485/2003]

(xiii) Cauvery Grameena Bank, Mysore.

[Placed in Library. See LT No. 8486/2003]

(xiv) Champaran Kshetriya Gramin Bank, Motihari

[Placed in Library. See LT No. 8487/2003]

(xv) Chandrapur-Gadchiroli Gramin Bank, Chandrapur.

[Placed in Library. See LT No. 8488/2003]

- (xvi) Chhatrasal Gramin Bank, Orai  
[Placed in Library. See LT No. 8489/2003]
- (xvii) Chikmagalur Kodagu Grameena Bank, Chikmagalur.  
[Placed in Library. See LT No. 8490/2003]
- (xviii) Chitradurga Gramin Bank, Chitradurga.  
[Placed in Library. See LT No. 8491/2003]
- (xix) Devi Patan Kshetriya Gramin Bank, Gonda.  
[Placed in Library. See LT No. 8492/2003]
- (xx) Dewas-Shajapur Kshetriya Gramin Bank, Dewas.  
[Placed in Library. See LT No. 8493/2003]
- (xxi) Durg Rajnandgaon Gramin Bank, Rajnandgaon.  
[Placed in Library. See LT No. 8494/2003]
- (xxii) Ellaquai Dehati Bank, Srinagar.  
[Placed in Library. See LT No. 8495/2003]
- (xiii) Etawah Kshetriya Gramin Bank, Etawah.  
[Placed in Library. See LT No. 8496/2003]
- (xiv) Ganga-Yamuna Gramin Bank, Dehradun.  
[Placed in Library. See LT No. 8497/2003]
- (xxv) Gaur Gramin Bank, Malda.  
[Placed in Library. See LT No. 8498/2003]
- (xxvi) Giridih Kshetriya Gramin Bank, Giridih.  
[Placed in Library. See LT No. 8499/2003]
- (xxvii) Godavari Gramin Bank, Rajahmundry.  
[Placed in Library. See LT No. 8500/2003]
- (xxviii) Gomti Gramin Bank, Jaunpur.  
[Placed in Library. See LT No. 8501/2003]
- (xxix) Gopalganj Kshetriya Gramin Bank, Gopalganj.  
[Placed in Library. See LT No. 8502/2003]
- (xxx) Gurdaspur-Amritsar Kshetriya Gramin Vikas Bank, Gurdaspur.  
[Placed in Library. See LT No. 8503/2003]
- (xxxi) Gwalior-Datia Kshetriya Gramin Bank, Datia.  
[Placed in Library. See LT No. 8504/2003]
- (xxxii) Haryana Kshetriya Gramin Bank, Bhiwani.  
[Placed in Library. See LT No. 8505/2003]
- (xxxiii) Hindan Gramin Bank, Ghaziabad.  
[Placed in Library. See LT No. 8506/2003]
- (xxxiv) Howrah Gramin Bank, Howrah.  
[Placed in Library. See LT No. 8507/2003]
- (xxxv) Indore-Ujjain Kshetriya Gramin Bank, Ujjain.  
[Placed in Library. See LT No. 8508/2003]
- (xxxvi) Jaipur-Nagaur Aanchalik Gramin Bank Jaipur.  
[Placed in Library. See LT No. 8509/2003]
- (xxxvii) Jammu Rural Bank, Jammu.  
[Placed in Library. See LT No. 8510/2003]
- (xxxviii) Jamuna Gramin Bank, Agra.  
[Placed in Library. See LT No. 8511/2003]
- (xxxix) Jhabua-Dhar Kshetriya Gramin Bank, Jhabua.  
[Placed in Library. See LT No. 8512/2003]
- (xl) Ka Bank Nongkyndong Ri Khasi Jaintia, Shillong.  
[Placed in Library. See LT No. 8513/2003]
- (xli) Kakathiya Grameena Bank, Warangal.  
[Placed in Library. See LT No. 8514/2003]
- (xlii) Kanakadurga Grameena Bank, Gudivada.  
[Placed in Library. See LT No. 8515/2003]
- (xliii) Kanpur Kshetriya Gramin Bank, Kanpur.  
[Placed in Library. See LT No. 8516/2003]
- (xliv) Kisan Gramin Bank, Budaun.  
[Placed in Library. See LT No. 8517/2003]
- (xlv) Kosi Kshetriya Gramin Bank, Purnia.  
[Placed in Library. See LT No. 8518/2003]
- (xlvi) Kshetriya Kisan Gramin Bank, Mainpuri.  
[Placed in Library. See LT No. 8519/2003]



- (xlvii) Lakhimi Gaonlia Bank, Golaghat.  
[Placed in Library. See LT No. 8520/2003]
- (xlviii) Langpi Dehangi Rural Bank, Karbi Anglong.  
[Placed in Library. See LT No. 8521/2003]
- (xlix) Madhubani Kshetriya Gramin Bank, Madhubani.  
[Placed in Library. See LT No. 8522/2003]
- (l) Mallabhum Gramin Bank, Bankura.  
[Placed in Library. See LT No. 8523/2003]
- (li) Malwa Gramin Bank, Sangrur.  
[Placed in Library. See LT No. 8524/2003]
- (lii) Marathwada Gramin Bank, Nanded.  
[Placed in Library. See LT No. 8525/2003]
- (liii) Mewar Aanchalik Gramin Bank, Udaipur.  
[Placed in Library. See LT No. 8526/2003]
- (liv) Mithila Kshetriya Gramin Bank, Darbhanga.  
[Placed in Library. See LT No. 8527/2003]
- (lv) Mizoram Rural Bank, Aizawal.  
[Placed in Library. See LT No. 8528/2003]
- (lvi) Muzaffarnagar Kshetriya Gramin Bank, Muzaffarnagar.  
[Placed in Library. See LT No. 8529/2003]
- (lvii) Nadia Gramin Bank, Nadia.  
[Placed in Library. See LT No. 8530/2003]
- (lviii) Nagaland Rural Bank, Kohima.  
[Placed in Library. See LT No. 8531/2003]
- (lix) Nangarjuna Grameena Bank, Khammam.  
[Placed in Library. See LT No. 8532/2003]
- (lx) Nainital-Almora Kshetriya Gramin Bank, Nainital.  
[Placed in Library. See LT No. 8533/2003]
- (lxi) Netravati Grameena Bank, Mangalore.  
[Placed in Library. See LT No. 8534/2003]
- (lxii) North Malabar Gramin Bank, Kannur.  
[Placed in Library. See LT No. 8535/2003]
- (lxiii) Magadh Gramin Bank, Gaya.  
[Placed in Library. See LT No. 8536/2003]
- (lxiv) Palamau Kshetriya Gramin Bank, Palamau.  
[Placed in Library. See LT No. 8537/2003]
- (lxv) Parvatiya Gramin Bank, Chamba.  
[Placed in Library. See LT No. 8538/2003]
- (lxvi) Pinakini Grameena Bank, Nellore.  
[Placed in Library. See LT No. 8539/2003]
- (lxvii) Ranchi Kshetriya Gramin Bank, Ranchi.  
[Placed in Library. See LT No. 8540/2003]
- (lxviii) Ratnagiri Sindhudrug Gramin Bank, Ratnagiri.  
[Placed in Library. See LT No. 8541/2003]
- (lxix) Rayalaseema Grameena Bank, Guddapah.  
[Placed in Library. See LT No. 8542/2003]
- (lxx) Sahyadri Gramin Bank, Shimoga.  
[Placed in Library. See LT No. 8543/2003]
- (lxxi) Samastipur Kshetriya Gramin Bank, Samastipur.  
[Placed in Library. See LT No. 8544/2003]
- (lxxii) Sangameshwara Grammena Bank, Mahabubnagar.  
[Placed in Library. See LT No. 8545/2003]
- (lxxiii) Shivalik Kshetriya Gramin Bank, Hoshiarpur.  
[Placed in Library. See LT No. 8546/2003]
- (lxxiv) Shree Anantha Grammena Bank, Anantapur.  
[Placed in Library. See LT No. 8547/2003]
- (lxxv) South Malabar Gramin Bank, Malappuram.  
[Placed in Library. See LT No. 8548/2003]
- (lxxvi) Sravasthi Gramin Bank, Bahraich.  
[Placed in Library. See LT No. 8549/2003]
- (lxxvii) Surguja Kshetriya Gramin Bank, Ambikapur.  
[Placed in Library. See LT No. 8550/2003]

- (lxviii) Thane Gramin Bank, Thane.  
[Placed in Library. See LT No. 8551/2003]
- (lxxix) Tulsi Gramin Bank, Thane.  
[Placed in Library. See LT No. 8552/2003]
- (lxxx) Uttarbanga Kshetriya Gramin Bank, Cooch Behar.  
[Placed in Library. See LT No. 8553/2003]
- (lxxxii) Vindhyavasini Gramin Bank, Mizapur.  
[Placed in Library. See LT No. 8554/2003]
- (lxxxiii) Visveshvaraya Grameena Bank, Mandya.  
[Placed in Library. See LT No. 8555/2003]
- (lxxxiii) Bardhaman Gramin Bank, Bardhaman.  
[Placed in Library. See LT No. 8556/2003]
- (lxxxiv) Faridkot-Bathinda Kshetriya Gramin Bank, Bathinda.  
[Placed in Library. See LT No. 8557/2003]
- (lxxxv) Himachal Gramin Bank, Mandi.  
[Placed in Library. See LT No. 8558/2003]
- (lxxxvi) Koraput Panchabati Gramya Bank, Jeypore.  
[Placed in Library. See LT No. 8559/2003]
- (lxxxvii) Kutch Gramin Bank, Bhuj-Kutch.  
[Placed in Library. See LT No. 8560/2003]
- (lxxxviii) Mayurakshi Gramin Bank, Birbhum.  
[Placed in Library. See LT No. 8561/2003]
- (lxxxix) Pandyan Grama Bank, Virudhunagar.  
[Placed in Library. See LT No. 8562/2003]
- (xc) Pragjyotish Gaonlia Bank, Nalbari.  
[Placed in Library. See LT No. 8563/2003]
- (xci) Santhal Parganas Gramin Bank, Dumka.  
[Placed in Library. See LT No. 8564/2003]
- (xcii) Sharda Gramin Bank, Satna.  
[Placed in Library. See LT No. 8565/2003]
- (xciii) Shekhawati Gramin Bank, Sikar.  
[Placed in Library. See LT No. 8566/2003]
- (xciv) Tripura Gramin Bank, Agartala.  
[Placed in Library. See LT No. 8567/2003]
- (xcv) Kamraz Rural Bank, Sopore.  
[Placed in Library. See LT No. 8568/2003]
- (xcvi) Shri Venkateswara Grameena Bank, Chittoor.  
[Placed in Library. See LT No. 8569/2003]
- (xcvii) Prathama Bank, Muradabad.  
[Placed in Library. See LT No. 8570/2003]
- (xcviii) Arunachal Pradesh Rural Bank, Pasighat.  
[Placed in Library. See LT No. 8571/2003]
- (2) A copy each of the following Notifications (Hindi and English versions under sub-section (4) of section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980:
- (i) The Vijaya Bank General (Amendment) Regulations, 2003 published in Notification No. 175 in Gazette of India dated the 5th November, 2003.  
[Placed in Library. See LT No. 8572/2003]
- (ii) The Indian Overseas Bank General (Amendment) Regulations, 2003 published in Notification No. ACC/IRC/1/2003-04 in Gazette of India dated the 27th November, 2003.  
[Placed in Library. See LT No. 8573/2003]
- (iii) The UCO Bank General (Amendment) Regulations, 2003 published in Notification No. HO/LAW/1004/2003 in Gazette of India dated the 5th December, 2003.  
[Placed in Library. See LT No. 8574/2003]
- (iv) The Allahabad Bank General (Amendment) Regulations, 2003 published in Notification No. Ref. No. General Account No. 3229 in Gazette of India dated the 28th November, 2003.  
[Placed in Library. See LT No. 8575/2003]

- (v) The Allahabad Bank (Officers') Service (Amendment) Regulations, 2002 published in Notification No. HO/Admn./F-49/775 in Gazette of India dated the 26th November, 2003.  
[Placed in Library. See LT No. 8576/2003]
- (vi) The Union Bank of India Officers' Service (Amendment) Regulations, 2002 published in Notification No OSR/19 in Gazette of India dated the 12th July, 2003.  
[Placed in Library. See LT No. 8577/2003]
- (vii) The Central Bank of India (Officers') Service (Amendment) Regulations, 2003 published in Notification No. CO/PRS/IRP/2003-2004/212 in Gazette of India dated the 28th June, 2003.  
[Placed in Library. See LT No. 8578/2003]
- (viii) The UCO Bank (Officers') Service Regulations (Amendment) Regulations, 2003 published in Notification No. OSR/1/2003 in Gazette of India dated the 26th April, 2003.  
[Placed in Library. See LT No. 8579/2003]
- (ix) The Vijaya Bank (Officers') Service (Amendment) Regulations, 2002 published in Notification No. PER:PA&PD:KRS:1854:03 in Gazette of India dated the 19th April, 2003.  
[Placed in Library. See LT No. 8580/2003]
- (x) The Indian Bank Officers Employees (Discipline and Appeal) Amendment Regulations, 2003 published in Notification No. SRC/47 in Gazette of India dated the 2nd August, 2003 together with a corrigendum thereto published in Notification No. SRC/47 dated the 17th October, 2003.  
[Placed in Library. See LT No. 8581/2003]
- (xi) The United Bank of India General (Amendment) Regulations, 2003 published in Notification No. 45 in Gazette of India dated 8th November, 2003.
- (3) Six statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at item Nos. (v to ix) (2) above.  
[Placed in Library. See LT No. 8582/2003]
- (4) A copy of the Reserve Bank of India Employees' Gratuity and Superannuation Fund (Amendment) Regulations, 2002 (Hindi and English versions) published in Notification No. Ref. DEBC No. 1 in Gazette of India dated the 25th January, 2003 under-section (4) of section 58 of the Reserve Bank of India Act, 1934.
- (5) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above.  
[Placed in Library. See LT No. 8583/2003]
- (6) A copy each of the following Notifications (Hindi and English versions) under sub-section (2) of section 30 of the Regional Rural Banks Act, 1976:
- (i) The Nagarjuna Grameena Bank Officers and Employees Service Regulations (Revised), 2001 published in Notification No. PER/Miss/32/02 in Gazette of India dated the 22nd February, 2002.  
[Placed in Library. See LT No. 8584/2003]
- (ii) The Fatehpur Kshetriya Gramin Bank (Officers and Employees) Service Regulations, 2001 published in Notification No. PER/S.22/Per.F.Miss/340 in Gazette of India dated the 19th January 2002.  
[Placed in Library. See LT No. 8585/2003]
- (iii) The Mizoram Rural Bank (Officers and Employees) Service Regulations, 2003 published in Notification No. G-21/193 in Gazette of India dated the 19th July, 2003.  
[Placed in Library. See LT No. 8586/2003]
- (iv) The Nainital-Almora Kshetriya Bank (Officers and Employees) Service Regulations, 2001 published in Notification No. H.O/STF/2001-02/518 in Gazette of India dated the 25th September, 2001.  
[Placed in Library. See LT No. 8587/2003]
- (v) The Etah Gramin Bank (Officers and Employees) Service Regulations, 2000 published in Notification No. EGB/CHS/MS/1401/01/02/VCM in Gazette of India dated the 1st October, 2001.  
[Placed in Library. See LT No. 8588/2003]

- (vi) The Bundi-Chittorgarh Kshetriya Gramin Bank (Officers and Employees) Service Regulations, 2000 published in Notification No. Ref. No. 17/Per/27 in Gazette of India dated the 23rd April, 2001.

[Placed in Library. See LT No. 8589/2003]

- (vii) The Prathama Bank (Officers and Employees) Service Regulations, 2001 (Revised) published in Notification No. PBHO/PD/2246/2001 in Gazette of India dated the 31st July, 2001.

[Placed in Library. See LT No. 8590/2003]

- (viii) The Chambal Kshetriya Gramin Bank, Morena (M.P.) (Officers and Employees) Service Regulations, 2000 published in Notification No. K/HO/Pers/2003-04/734/1759 in Gazette of India dated the 14th July, 2003.

[Placed in Library. See LT No. 8591/2003]

- (ix) The Vaishali Kshetriya Gramin Bank (Officers and Employees) Service Regulations, 2000 published in Notification No. RRV/HQ/PRS/27/03-04/955 in Gazette of India dated the 13th August, 2003.

[Placed in Library. See LT No. 8592/2003]

- (x) The Bareilly Kshetriya Gramin Bank (Officers and Employees) Service Regulations, 2001 published in Notification No. H.O.P.D. 2003/112, in Gazette of India dated the 17th September, 2003.

[Placed in Library. See LT No. 8593/2003]

- (xi) The Farrukhabad Gramin Bank (Officers and Employees) Service Regulations, 2001 published in Notification No. 106 in Gazette of India dated the 18th April, 2001.

[Placed in Library. See LT No. 8594/2003]

- (xii) Notification No. HO/Pers/29/2105 published in Gazette of India dated the 9th October, 2003 containing corrigendum to the Notification No. 106 dated the 6th October, 2003.

- (7) Nine statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at item Nos. (i to vii and xi to xii) of (6) above.

[Placed in Library. See LT No. 8595/2003]

- (8) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:

- (i) G.S.R. 665 (E) published in Gazette of India dated the 14th August, 2003 together with an explanatory memorandum making certain amendments in the Notifications mentioned therein.

[Placed in Library. See LT No. 8596/2003]

- (ii) The Special Economic Zones (Amendment) Rules, 2003 published in Notification No. G.S.R. 666 (E) in Gazette of India dated the 14th August, 2003, together with an explanatory memorandum.

[Placed in Library. See LT No. 8597/2003]

- (iii) The Special Economic Zones (Customs Procedures) (Amendment) Regulations, 2003 published in Notification No. G.S.R. 667 (E) in Gazette of India dated the 14th August, 2003, together with an explanatory memorandum.

[Placed in Library. See LT No. 8598/2003]

- (iv) G.S.R. 669 (E) published in Gazette of India dated the 14th August, 2003, together with an explanatory memorandum making certain amendments in the Notification No. 113/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8599/2003]

- (v) G.S.R. 670 (E) published in Gazette of India dated the 14th August, 2003, together with an explanatory memorandum making certain amendments in the Notification No. 114/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8600/2003]

- (vi) G.S.R. 671 (E) published in Gazette of India dated the 14th August, 2003, together with an explanatory memorandum making certain amendments in the Notification No. 115/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8601/2003]

- (vii) G.S.R. 809 (E) published in Gazette of India dated the 14th October, 2003, together with an explanatory memorandum making certain amendments in the Notifications mentioned therein.

[Placed in Library. See LT No. 8602/2003]

- (viii) The Special Economic Zones (Amendment) Rules, 2003 published in Notification No. G.S.R. 810 (E) in Gazette of India dated the 14th October, 2003, together with an explanatory memorandum.

[Placed in Library. See LT No. 8603/2003]

- (ix) The Special Economic Zones (Customs Procedures) (Amendment) Regulations, 2003 published in Notification No. G.S.R. 811 (E) in Gazette of India dated the 14th October, 2003, together with an explanatory memorandum.

[Placed in Library. See LT No. 8604/2003]

- (x) G.S.R. 813 (E) published in Gazette of India dated the 14th October, 2003, together with an explanatory memorandum making certain amendments in the Notification No. 113/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8605/2003]

- (xi) G.S.R. 815 (E) published in Gazette of India dated the 14th October, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 115/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8606/2003]

- (xii) G.S.R. 693 (E) published in Gazette of India dated the 27th August, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 55/2003-Cus., dated the 1st April, 2003.

[Placed in Library. See LT No. 8607/2003]

- (xiii) G.S.R. 727 (E) published in Gazette of India dated the 10th September, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 55/203-Cus., dated the 1st April, 2003.

[Placed in Library. See LT No. 8608/2003]

- (xiv) G.S.R. 814 (E) published in Gazette of India dated the 14th October, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 114/2003-Cus., dated the 22nd July, 2003.

[Placed in Library. See LT No. 8609/2003]

- (xv) S.O. 1316 (E) published in Gazette of India dated the 14th November, 2003 together with an explanatory memorandum making certain amendment in the Notification No. 36/2001-Cus. (N.T.), dated the 3rd August, 2001.

[Placed in Library. See LT No. 8610/2003]

- (xvi) S.O. 1350 (E) published in Gazette of India dated the 24th November, 2003 together with an explanatory memorandum regarding rates of exchange for conversion of certain foreign currencies into Indian currency or vice-versa for the purpose of assessment of import.

- (xvii) S.O. 1351 (E) published in Gazette of India dated the 24th November, 2003 together with an explanatory memorandum regarding rates of exchange for conversion of certain foreign currencies into Indian currency or vice-versa for the purpose of assessment of export.

[Placed in Library. See LT No. 8611/2003]

- (xviii) G.S.R. 920 (E) published in Gazette of India dated the 2nd December, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 146/94-Cus., dated the 13th July, 1994.

[Placed in Library. See LT No. 8612/2003]

- (xix) G.S.R. 938 (E) published in Gazette of India dated the 10th December, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 21/2002-Cus., dated 1st March, 2002.

[Placed in Library. See LT No. 8613/2003]

- (xx) G.S.R. 916 (E) published in Gazette of India dated the 29th November, 2003 together

with an explanatory memorandum making certain amendments in the Notification No. 113/2003-Cus., dated 22nd July, 2003.

(xxxi) G.S.R. 917 (E) published in Gazette of India dated the 29th November, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 114/2003-Cus., dated 22nd July, 2003.

(xxii) G.S.R. 918 (E) published in Gazette of India dated the 29th November, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 115/2003-Cus., dated 22nd July, 2003.

(xxiii) The Special Economic Zones (Amendment) Rules, 2003 published in Notification No. G.S.R. 913 (E) in Gazette of India dated the 29th November, 2003 together with an explanatory memorandum.

(xxiv) The Special Economic Zones (Customs Procedures) (Amendment) Regulations, 2003 published in Notification No. G.S.R. 914 (E) in Gazette of India dated the 29th November, 2003 together with an explanatory memorandum.

(xxv) G.S.R. 924 (E) published in Gazette of India dated the 4th December, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 21/2003-Cus., dated 1st March, 2002.

[Placed in Library. See LT No. 8614/2003]

(9) (i) A copy of the Annual Report (Hindi and English versions) of the Small Industries Development Bank of India, Lucknow, for the year 2002-2003, alongwith Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Small Industries Development Bank of India, Lucknow, for the year 2002-2003.

[Placed in Library. See LT No. 8615/2003]

(10) A copy each of the Annual Reports (Hindi and English versions) of the State Bank of Hyderabad, State Bank of Patiala and State Bank of

Saurashtra for the year 2002-2003, alongwith Audited Accounts and Auditors' Report thereon under sub-section (3) of section 43 of the State Bank of India (Subsidiary Banks) Act, 1959.

[Placed in Library. See LT No. 8616/2003]

(11) A copy of the Annual Report (Hindi and English versions) of the State Bank of India, for the year 2002-2003 alongwith Audited Accounts and Auditors' Report thereon under sub-section (4) of section 40 of the State Bank of India Act, 1955.

[Placed in Library. See LT No. 8617/2003]

(12) A copy each of the following Annual Reports (Hindi and English versions) under sub-section (8) of section 10 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980:

(i) Report on the working and activities of the Allahabad Bank of the year 2002-2003 alongwith Accounts and Auditors' Report thereon.

[Placed in Library. See LT No. 8618/2003]

(ii) Report on the working and activities of the Bank of Maharashtra for the year 2002-2003 alongwith Accounts and Auditor's Report thereon.

[Placed in Library. See LT No. 8619/2003]

(iii) Report on the working and activities of the Canara Bank for the year 2002-2003 alongwith Accounts and Auditor's Report thereon.

[Placed in Library. See LT No. 8620/2003]

(iv) Report on the working and activities of the Central Bank of India for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.

[Placed in Library. See LT No. 8621/2003]

(v) Report on the working and activities of the Dena Bank for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.

[Placed in Library. See LT No. 8622/2003]

- (vi) Report on the working and activities of the Indian Bank for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.
- [Placed in Library. See LT No. 8623/2003]
- (vii) Report on the working and activities of the Indian Overseas Bank for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.
- [Placed in Library. See LT No. 8624/2003]
- (viii) Report on the working and activities of the United Bank of India for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.
- [Placed in Library. See LT No. 8625/2003]
- (ix) Report on the working and activities of the UCO Bank for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.
- [Placed in Library. See LT No. 8626/2003]
- (x) Report on the working and activities of the Punjab and Sindh Bank for the year 2002-2003 alongwith Accounts and Auditors' Report thereon.
- [Placed in Library. See LT No. 8627/2003]
- (13) (i) A copy of the Annual Report (Hindi and English versions) of the Life Insurance Corporation of India for the year 2002-2003, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Life Insurance Corporation of India for the year 2002-2003.
- [Placed in Library. See LT No. 8628/2003]
- (14) (i) A copy of the Annual Report (Hindi and English versions) of the Industrial Development Bank of India, Mumbai, for the year 2002-2003, alongwith Audited Accounts, under sub-section (5) of section 18 and 23 of the Industrial Development Bank of India Act, 1964.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Industrial Development Bank of India, Mumbai, for the year 2002-2003.
- [Placed in Library. See LT No. 8629/2003]
- (15) (i) A copy of the Securities Contracts (Regulation) Amendment Rules, 2003 (Hindi and English versions) published in Notification No. G.S.R. 696 (E) in Gazette of India dated the 28th August, 2003 under sub-section (3) of Section 30 of the Securities Contracts (Regulation) Act, 1956.
- [Placed in Library. See LT No. 8630/2003]
- (16) A copy of the Consolidated Review (Hindi and English versions) of the working of Regional Rural Banks for the year ended the 31st March, 2003.
- [Placed in Library. See LT No. 8631/2003]
- (17) A copy of the Small Industries Development Bank of India (Appeal to the Central Government) Rules, 2003 (Hindi and English versions) published in Notification No. G.S.R. 268 in Gazette of India dated the 26th July, 2003 under sub-section (3) of section 52 of the Small Industries Development Bank of India Act, 1989.
- [Placed in Library. See LT No. 8632/2003]
- (18) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of Section 36 of the Sick Industrial (Special Provisions) Act, 1985:
- (i) The Board for Industrial and Financial Reconstruction (Salaries and Allowances and Conditions of Service of Chairman and other Members) (Amendment) Rules, 2003 published in Notification No. G.S.R. 484 (E) in Gazette of India dated the 13th June, 2003.
- (ii) The Board for Industrial and Financial Reconstruction (Salaries and Allowances and Conditions of Service of Chairman and other Members) (Second Amendment) Rules, 2003 published in Notification No. G.S.R. 844 (E) in Gazette of India dated the 28th October, 2003.
- [Placed in Library. See LT No. 8633/2003]

- (19) A copy of the State Financial Corporation (Appeal to the Central Government) Rules, 2003 (Hindi and English versions) published in Notification No. G.S.R. 267 in Gazette of India dated the 26th July, 2003 under section 48A of the State Financial Corporations Act, 1951.

[Placed in Library. See LT No. 8634/2003]

- (20) A copy of the following Notifications (Hindi and English versions) issued under the Central Excise Rules, 2003:

- (i) G.S.R. 850 (E) published in Gazette of India dated the 29th October, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 40/2001-CE (N.T.), dated the 26th June, 2001.
- (ii) G.S.R. 851 (E) published in Gazette of India dated the 29th October, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 42/2001-CE (N.T.), dated the 26th June, 2001.
- (iii) G.S.R. 859 (E) published in Gazette of India dated the 3rd November, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 35/2001-CE (N.T.), dated the 26th June, 2001.

[Placed in Library. See LT No. 8635/2003]

- (21) A copy each of the following Notifications (Hindi and English versions) under sub-section (2) of section 38 of the Central Excise Act, 1944:

- (i) G.S.R. 915 (E) published in Gazette of India dated the 29th November, 2003 together with an explanatory memorandum making certain amendments in two Notifications mentioned therein.
- (ii) G.S.R. 798 (E) published in Gazette of India dated the 8th October, 2003 together with an explanatory memorandum specifying Moradabad Special Economic Zone at Moradabad in the State of Uttar Pradesh as special economic zone.
- (iii) G.S.R. 764 (E) published in Gazette of India dated the 25th September, 2003 together with an explanatory memorandum specifying

Boranada Special Economic Zone at Jodhpur in the State of Rajasthan as special economic zone.

- (iv) G.S.R. 765 (E) published in Gazette of India dated the 25th September, 2003 together with an explanatory memorandum specifying Manikanchan Special Economic Zone at Salt Lake, Kolkata in the State of West Bengal as special economic zone.
- (v) G.S.R. 686 (E) published in Gazette of India dated the 26th August, 2003 together with an explanatory memorandum specifying Indore Special Economic Zone at Indore in the State of Madhya Pradesh as special economic zone.
- (vi) G.S.R. 687 (E) published in Gazette of India dated the 26th August, 2003 together with an explanatory memorandum specifying the Sitapura Special Economic Zone at Jaipur in the State of Rajasthan as special economic zone.
- (vii) G.S.R. 762 (E) published in Gazette of India dated the 25th September, 2003 together with an explanatory memorandum exempting cotton waste cleared by hundred per cent Export Oriented Undertaking and allowed to be sold in India during the period from 23rd July, 1996 to 28th February, 1997.
- (viii) The Central Excise Valuation (Determination of Price of Excisable Goods) Amendment Rules, 2003 published in Notification No. G.S.R. 632 (E) in Gazette of India dated the 5th August, 2003 together with an explanatory memorandum.
- (ix) G.S.R. 668 (E) published in Gazette of India dated the 14th August, 2003 together with an explanatory memorandum making certain amendments in two notifications mentioned therein.
- (x) G.S.R. 812 (E) published in Gazette of India dated the 14th October, 2003 together with an explanatory memorandum making certain amendments in the notification No. 68/2003-CE dated the 14th August, 2003.

[Placed in Library. See LT No. 8636/2003]



(22) A copy each of the following Notifications (Hindi and English versions) issued under Section 133 of the Finance Act, 2002:

- (i) G.S.R. 663 (E) published in Gazette of India dated the 14th August, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 43/2003-Cus. (N.T.) dated the 22nd July, 2003.
- (ii) G.S.R. 807 (E) published in Gazette of India dated the 14th October, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 68/2003-CE (N.T.) dated the 14th August, 2003.
- (iii) G.S.R. 664 (E) published in Gazette of India dated the 14th August, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 43/2003-Cus. (N.T.) dated the 22nd July, 2003.
- (iv) G.S.R. 808 (E) published in Gazette of India dated the 14th August, 2003 together with an explanatory memorandum making certain amendments in the Notification No. 43/2003-Cus. (N.T.) dated the 22nd July, 2003.

[Placed in Library. See LT No. 8637/2003]

(23) A copy of the Notification No. G.S.R. 797 (E) (Hindi and English versions) published in Gazette of India dated the 8th October, 2003 together with explanatory memorandum making certain amendments in the Notification No. 2/2001-IATT dated the 19th April, 2001 under section 49 of the Finance Act, 1989.

[Placed in Library. See LT No. 8638/2003]

(24) A copy of the Notification No. G.S.R. 897 (E) (Hindi and English versions) published in Gazette of India dated the 20th November, 2003 together with an explanatory memorandum seeking to exempt the taxable services in respect of which payment is received in India in convertible foreign exchange provided the same is not repatriated from or sent outside India under sub-section (4) of section 94 of the Finance Act, 1994.

[Placed in Library. See LT No. 8639/2003]

(25) A copy of the Notification No. G.S.R. 475 (E) (Hindi and English versions) published in Gazette of India dated the 11th June, 2003 together with an explanatory memorandum seeking to include

four new psychotropic substances mentioned in the notification in the schedule of the Narcotic Drugs and Psychotropic Substances Act, 1985 issued under section 3 of the said Act, together with a corrigendum thereto published in Notification No. G.S.R. 621 (E) dated the 1st August, 2003.

[Placed in Library. See LT No. 8640/2003]

(26) A copy of the Foreign Travel Tax (Amendment) Rules, 2003 (Hindi and English versions) published in Notification No. G.S.R. 802 (E) in Gazette of India dated the 13th October, 2003 together with an explanatory memorandum under section 41 of the Finance Act, 1979.

[Placed in Library. See LT No. 8641/2003]

(27) A copy each of the following Notifications (Hindi and English versions) under sub-section (7) of section 9A of the Customs Traffic Act, 1975:

- (i) G.S.R. 939 (E) published in Gazette of India dated the 10th December 2003 together with an explanatory memorandum making certain amendments in the Notification No. 23/2003-Cus., dated the 1st March, 2002.
- (ii) G.S.R. 921 (E) published in Gazette of India dated the 3rd December, 2003 together with an explanatory memorandum seeking to impose final anti-dumping duty on Sodium Hydrosulphite, originating in, or exported from Germany and Republic of Korea at the rates recommended by the designated authority.

[Placed in Library. See LT No. 8642/2003]

(28) A copy each of the following Notifications (Hindi and English versions) issued under section 11BB and 11DD of the Central Excise Act, 1944:

- (i) G.S.R. 736 (E) published in Gazette of India dated the 12th September, 2003 together with an explanatory memorandum seeking to fix the rate of interest at six per cent per annum.
- (ii) G.S.R. 737 (E) published in Gazette of India dated the 12th September, 2003 together with an explanatory memorandum seeking to fix the rate of interest at fifteen per cent per annum.

[Placed in Library. See LT No. 8643/2003]

(29) (i) A copy of the Annual Report (Hindi and English versions) of the National Bank for Agriculture and Rural Development, Mumbai, for the year 2002-2003, alongwith Audited Accounts under sub-section (5) of section 48 of the National Bank for Agriculture and Rural Development Act, 1981.

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Bank for Agriculture and Rural Development, Mumbai, for the year 2002-2003.

[Placed in Library. See LT No. 8644/2003]

(30) A copy of the Consolidated Report (Hindi and English versions) on the working of the Public Sector Banks as on 31st March, 2003.

[Placed in Library. See LT No. 8646/2003]

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SU THIRUNAVUKKARASAR): Sir, I beg to lay on the Table:

(1) A copy of the Annual Report (Hindi and English versions) of the DOEACC Society, New Delhi, for the year 2002-2003, alongwith Audited Accounts.

(2) A copy of the Review (Hindi and English versions) by the Government of the working of the DOEACC Society, New Delhi, for the year 2002-2003.

[Placed in Library. See LT No. 8645/2003]

12.02 hrs.

MESSAGES FROM RAJYA SABHA  
AND  
BILL AS AMENDED BY RAJYA SABHA—Laid

[English]

SECRETARY-GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:

(i) 'I am directed to inform the Lok Sabha that the Indian Council of World Affairs (Amendment) Bill,

2003, which was passed by the Lok Sabha at its sitting held on 2nd May, 2003, has been passed by the Rajya Sabha at its sitting held on the 17th December, 2003, with the following amendments:

CLAUSE-2

Amendment of Section 7

That at 1, *after* line 9, the following be *inserted*, namely:

(ii) In clause (b), for the words "to be nominated by the Council", the words, brackets and figure "to be nominated, in the first instance by the Council constituted under sub-section (1) and thereafter by the Council constituted under this sub-section" shall be substituted.

2. That at page 1, line 10, *for* the brackets and Roman numeral "(ii)" the brackets and Roman numeral "(iii)" be *substituted*.

3. That at page 1, *after* line 11, the following be *inserted*, namely:

(iv) in clause (e), for the words "to be nominated by the Council", the words, brackets and figure "to be nominated, in the first instance by the Council constituted under sub-section (1) and thereafter by the Council constituted under this sub-section" shall be substituted.

(v) in clause (f), for the words "to be nominated by the Council", the words, brackets and figure "to be nominated, in the first instance by the Council constituted under sub-section (1) and thereafter by the Council constituted under this sub-section" shall be substituted.

4. That at page 1, line 12, *for* the brackets and Roman numeral "(iii)" the brackets and Roman numeral "(iv)" be *substituted*.

5. That at page 2, line 1, *for* the brackets and Roman numeral "(iv)" the brackets and Roman numeral "(vii)" be *substituted*.

6. That at page 2, *for* the brackets and Roman numeral "(v)" the brackets and Roman numeral "(viii)" be *substituted*.

CLAUSE 3

Amendment of Section 15

7. That at page 2, for line 7-8, the following be substituted, namely:

(1) There shall be a Director-General of the Council who shall, before a Council is constituted under sub-section (2) of section 7, be appointed by the Council constituted under sub-section (1) of that section and thereafter during the tenure of a Council constituted under sub-section (2) of section 7, by that Council.

(1A) Every appointment of the Director-General under sub-section (1) shall be made from a panel of at least two names recommended by the Government of India in the Ministry of External Affairs.

8. That a page 2, line 9, for the brackets, figure and alphabet "(1A)" the brackets, figure and alphabet "(1B)" be substituted.

9. That at page 2, line 10, for the brackets, figure and alphabet "(1B)", the brackets, figure and alphabet "(1C)" be substituted.

I am, therefore, to return herewith the said Bill in accordance with the provisions of rule 128 of the Rules of Procedure and Conduct of Business in the Rajya Sabha with the request that the concurrence of the Lok Sabha to the said amendments be communicated to this House.'

(ii) "In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on the 18th December, 2003, passed, in accordance with the provisions of Article 368 of the Constitution of India, without any amendment, the Constitution (Ninety-seventh Amendment) Bill, 2003, which was passed by the Lok Sabha at its sitting held on the 16th December, 2003".

(iii) "In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am

directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on the 18th December, 2003, agreed without any amendment to the Prevention of Terrorism (Amendment) Bill, 2003, which was passed by the Lok Sabha at its sitting held on the 16th December, 2003".

2. Sir, I lay on the Table the India Council of World Affairs (Amendment) Bill, 2003, as returned by Rajya Sabha with amendments.

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12.03 hrs.

RESIGNATION BY MEMBERS

[English]

MR. SPEAKER: I have to inform the House that I have received a letter dated 15 December, 2003 from Shrimati Vasundhara Raje an elected Member from Jhalawar Parliamentary Constituency of Rajasthan resigning from the membership of Lok Sabha.

I have also received a letter dated 18 December, 2003 from Kumari Uma Bharati an elected Member from Bhopal Parliamentary Constituency of Madhya Pradesh resigning from the membership of Lok Sabha.

I have accepted these resignations with effect from 18 December, 2003.

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12.03 1/2 hrs.

COMMITTEE ON PRIVATE MEMBERS'  
BILLS AND RESOLUTIONS

Minutes

[English]

SHRI DENZIL B. ATKINSON (Nominated): Sir, I beg to lay on the Table the Minutes (Hindi and English versions) of the Thirty-seventh and Thirty-eighth sitting of the Committee on Private Members' Bills and Resolutions held during the current session.

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12.03<sup>3</sup>/<sub>4</sub> hrs.**COMMITTEE ON PUBLIC UNDERTAKINGS****Eleventh & Twelfth Reports***[English]*

DR. VIJAY KUMAR MALHOTRA (South Delhi): Sir, I beg to present a copy each of the following report (Hindi and English versions) of the committee on Public Undertakings:

- (1) Eleventh Report on Reconstitution of Board of Directors of Air India Limited and Twelfth Report on wasteful expenditure on the creation Pipeline of Hindustan Petroleum Corporation Limited.

12.04 hrs.

**STUDY TOUR REPORTS AND ACTION TAKEN STATEMENT****Forty-eight to Fifty-first Report***[Translation]*

DR. VIJAY KUMAR MALHOTRA (South Delhi): I beg to lay on the Table of the following Study Tour Reports/ Action Taken Statement (Hindi and English versions) of the Committee on Public Undertakings:

- (1) Forty-Eighth Study Tour Report on Hindustan Shipyard Limited;
- (2) Forty-Ninth Study Tour Report on RITES Limited;
- (3) Fiftieth Study Tour Report on Dredging Corporation of India Limited;
- (4) Fifty-First Study Tour Report on Mishra Dhatu Nigam Limited; and
- (5) A statement showing Action Taken by Government on the recommendations contained in Chapter I and V of the Seventh (Action Taken) Report of the Committee on Public Undertakings (Thirteenth Lok Sabha) on Air India Limited.

12.04<sup>1</sup>/<sub>4</sub> hrs.**STANDING COMMITTEE ON HOME AFFAIRS****One Hundred and Eighth Report***[English]*

SHRI ANADI SAHU (Berhampur, Orissa): Sir, I beg to lay on the Table a copy of the One Hundred and Eighth Report (Hindi and English versions) of the Standing Committee on Home Affairs on the Assam Rifles Bills, 2003.

12.04<sup>1</sup>/<sub>2</sub> hrs.**STANDING COMMITTEE ON SCIENCE AND TECHNOLOGY, ENVIRONMENT AND FORESTS****One Hundred-eighteenth Report***[English]*

DR. BIKRAM SARKAR (Panskura): Sir, I beg to lay on the Table a copy of the One Hundred-eighteenth Report (Hindi and English versions) of the Standing Committee on Science and Technology, Environment and Forests on Conservation & Environmental-Management Plan for Dal-Nagin Lake, Srinagar.

*[English]*

MR. SPEAKER: I will take up Item No. 19 later as the Minister has gone to the Rajya Sabha. Now, we will take up Item No. 20.

12.05 hrs.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**Reported situation arising out of continuous erosion on the banks of rivers in West Bengal, particularly in Murshidabad and Malda and steps taken by the Government in regard thereto**

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Sir, I call the attention of the Minister of Water Resources to the following matter of urgent public importance and request that he may make a statement thereon:

[Shri Priya Ranjan Dasmunsi]

“Situation arising out of continuous erosion on the banks of rivers in West Bengal, particularly in Murshidabad and Malda, and steps taken by the Government in regard thereto.”

THE MINISTER OF WATER RESOURCES (SHRI ARJUN CHARAN SETHI): Sir, Shri P.R. Dasmunsi, Member of Parliament, has brought out the issue of erosion on the banks of rivers in West Bengal, particularly in Murshidabad and Malda.

Sir, the Flood Management, including river erosion, being a State subject, investigation, planning and implementation of flood management schemes are within the purview of the respective State Governments. However, the Central Government has also been rendering assistance to various State Governments including West Bengal from time to time.

Ganga Flood Control Commission (GFCC) constituted by the Central Government in 1972 had prepared comprehensive plans for flood management for the 23 river systems of Ganga basin of which West Bengal is also a part. These plans were forwarded to the concerned State Governments for implementation of the recommendations contained therein.

Sir, for tackling the problem of erosion, the Planning Commission, Government of India, in 1996, had constituted an Expert Committee under the Chairmanship of Shri G.R. Keskar, the then Member (RM), Central Water Commission which suggested various short-term and long-term measures. The State Government started execution of works recommend by the Expert Committee since 1997-98 and they have incurred an expenditure of about Rs. 78.57 crore in this regard. The Planning Commission had sanctioned additional funds of Rs. 30 crore to West Bengal to enable it to take up top priority schemes during the financial year 1998-99. Farakka Barrage Project Authority (FBPA) has also incurred an expenditure of Rs. 30 crore since IX Plan on anti-erosion works both on upstream and downstream of Farakka Barrage.

Sir, earlier during December 1999, the Government of India had deputed a Central Team led by Shri G.N. Murthy, the then Chairman, GFCC, to visit the critical erosion sites on river Ganga in various States including West Bengal. The team identified critical sites/reaches and recommended anti-erosion measures to be taken up on priority. On the recommendation of the Committee, a Centrally Sponsored Scheme was formulated by the Ministry of Water Resources which came into operation

in January, 2001. Against the Central share of Rs. 30 crore for West Bengal, a total amount of Rs. 27.66 crore has already been released. Further release of funds will depend upon the receipt of utilisation certificate from the State Government. Sir, I repeat again that further release of funds will depend upon the utilisation certificate from the State Government.

I am glad to information the House that keeping in view the seriousness of the erosion and its associated problems, the Government of India decided to continue the above scheme further during the Tenth Five Year Plan after completion of the existing on-going scheme and for this purpose, a Committee was constituted which also included a representative from West Bengal. Based on the recommendations of this Committee, another Centrally Sponsored Scheme has been formulated wherein a further provision of Rs. 51 crore has been made for West Bengal to take up critical anti-erosion works along Ganga, Bhagirathi, Mahananda and other rivers. The above Committee also opined that with the execution of the above works, the recommendations of the Keskar Committee would also be addressed.

Further, in connection with the erosion problem on the left bank of Ganga on the upstream of barrage near Panchanandpur, the Model Studies were conducted by the Central Water and Power Research Station (CWPRS) in July/August, 2003. The Report has already been sent to the Government of West Bengal for necessary follow-up action.

I would also like to apprise the House that for the Annual Plan of 2003-04 of West Bengal, the Planning Commission has approved Rs. 30 crore as one time additional Central assistance to the State for priority schemes. Out of this, the State Government has allocated Rs. 20 crore for erosion control works on river Ganga/Padma.

SHRI PRIYA RANJAN DASMUNSI: Sir, I have heard the hon. Minister's statement. It is really amazing that, time and again, with the intervention of several hon. Members, the entire understanding and concept of erosion in West Bengal rivers have not yet been understood by the Ministry of Water Resources. According to the Ministry of Water Resources, the flood management and erosion management are designed only under the map of the directions of the Ganga Flood Control Commission in Ganga Basin which is not a fact. When this concept was conceived, the limited arteries of Ganga and Bhagirathi used to do that. But now the whole thing has changed. Beyond Rajmahal, if you go another 30 kilometres, you

would find two rivers are connecting together, that is, one from Ganges and another from Phulwara in Bihar. The devastation is at the peak there. Whenever I raised the question, the Government took the textual position, that is, they mentioned about Ganga Flood Control. But the Government does not understand that there is also the Mahananda Division that is equally reading the whole area. Therefore, not a single penny is ordered or advised. ... (*Interruptions*)

For the last four years, there have been at least 12 interventions from the same Ministry and the same Minister. There have been so many Calling Attention Notices. But the reply has been the same.

Sir, last time, there was an interaction in your presence. Both the Minister and Shri Somnath Chatterjee were present in the House. The Minister instantly said that if we sent the proposals about the erosion matters, he would consider it. Within three days, I had sent the proposals duly certified by the district administration. I also gave a copy of that to you. His reply was that if its cost were above Rs. 3 crore, it would be examined by them. In case the cost is below Rs. 3 crore, then we should go to the State Governments. What is the point in asking us to give the proposals?

Now I quote what Shri K.C. Pant replied from the Planning Commission:

"I find 18 schemes cost less than Rs. 3 crore. Two of the schemes cost more than Rs. 6.64 lakh. Each scheme needs to have techno-economic survey and be cleared by the Ganga Flood Control Commission. Investment clearance from the Planning Commission is also required."

Again the Planning Commission also made the mistake of mentioning Ganga Flood Control Commission. I have been trying and trying. The Ganga Flood Control Commission covers the Bhagirathi, the Murshidabad district and part of Malda up to Rajmahal. Beyond that, it is Mahananda where from the devastation is taking place. I would request the hon. Minister to find it out from his Secretariat. Panchanandpur comes under Ganga Flood Control. Ratua, Bailaimari and Mahanandtola, where 90 villages have been washed away, come under Mahananda. Since they come under Mahananda, they do not do anything.

In Murshidabad, in spite of Minister's visit and assurance, the erosion is continuing unabated. Erosion is taking place even in Rulian city, Shamsherganj block, Lalgola block, Raniganj block and Jalangi block. It is

also taking place near the banks of the Ganges and also in Warampur, Nawadweep, Chandernagar.

Now I am mentioning three places. I can say with authority that these places even though having serious erosion have not been mentioned either by the Murthy Committee or the Keskar Committee in their Reports. Panchanandpur, Manikchak, Bilaimari, Mahanandtola of Malda, Nagar at Etaha, Aktrei, Matlary have been threatened by Mahananda in Dinajpur, Goalpukur block in Dinajpur, but nothing is there in the Reports of the Keskar Committee and the Murthy Committee since they think that river erosion means only relating to Ganga and Padma limited up to Farrakka.

MR. SPEAKER: Shri Dasmunsi, now you put the question.

SHRI PRIYA RANJAN DASMUNSI; Sir, I am putting the questions. Would the Minister take into account the consultations with the State Government of West Bengal? What is actually required for long-term and short-term measures to prevent the erosion? I say with authority that the costs are not within Rs. 30 crore or Rs. 50 crore. It would be beyond that amount. Is he going to implement the first stage in the first two years of the Tenth Plan?

Would he appoint a Task Force? His bureaucrats should interact with those of the State Government. The real problems have been faced by the Panchayats, the Zilla Parishads and the public representatives. Would a Task Force interact with the Zilla Parishads of Malda and Murshidabad and the public representatives like MLAs and MPs, and take into account the new areas of erosion and come forward with an *ad hoc* plan in this regard so that the situation could be tackled? I invited the Minister. But he never found time to go there. He would be shocked to know that Phulwara and the Ganges have been eroding from both the sides in places like Ratua, Bilaimari and Mahanandtola.

I went to the Prime Minister. Places like Ramayanpur, Ziarudintola and Azitola have been affected one after another. I found mosque, temple and courtyards in the villages. But after ten days, these were submerged under water. That is how the things are going on. They have no plans for their rehabilitation.

So, I would request the Minister that without depending on the bureaucrats, he should personally visit at least the areas of erosion and interact with the Zilla Parishads and also the public representatives so that the *ad hoc* plan could be considered.

[Shri Priya Ranjan Dasmunsi]

Finally, I would address one more question. Where there is river erosion in some parts of India, there is disaster management. Would he provide an *ad hoc* contingency fund as and when the public representatives make some recommendations on the subject? They would not spend it. You are to refer it to the concerned district for support. Otherwise, the situation would go beyond control. Now the people's representatives have become the victims. I request the Government to consider this matter seriously.

MR. SPEAKER: Now, the hon. Minister would speak.

...(Interruptions)

MR. SPEAKER: Let me explain it to the hon. Members. There is a lot of business today. If the entire business is to be completed, I would not be able to allow questions or clarifications in this particular debate. Therefore, please do not insist because it is not possible.

...(Interruptions)

MR. SPEAKER: I am going according to the Rules. Please sit down.

...(Interruptions)

MR. SPEAKER: Every day, this cannot be done. On the Calling Attention Notice, only those Members would be allowed whose names are here and nobody else.

...(Interruptions)

[Translation]

MR. SPEAKER: How can I give you permission everyday? Tell me any day when you did not ask for permission.

...(Interruptions)

[English]

MR. SPEAKER: Please sit down. Only two or three Members would speak and not more than that.

...(Interruptions)

[Translation]

MR. SPEAKER: I do give you permission, but you please listen to me. I can permit only two-three Members. I will not give permission to all the Members. But they

will only ask questions. I will stop them if they start giving speech. You please cooperate with the Chair.

...(Interruptions)

SHRI RAM VILAS PASWAN (Hajipur): I had also given you in writing.

MR. SPEAKER: Everyone had given in writing.

[English]

SHRI MOINUL HASSAN (Murshidabad): Sir, the entire area in my constituency is under erosion. It is not a question of blaming the Government of India or the Government of a State. I have keenly heard the hon. Minister. He has emphatically mentioned that further release of funds would depend on the receipt of utilisation certificates from the State Governments. It is not a case like this. I would like to say that proper and timely funding is very much necessary in West Bengal, particularly in Murshidabad, Malda, Nadia, West Dinajpur and eight other districts. So, I would like to know from the hon. Minister whether a decision has been taken by the Government of India to provide funds properly in order to face this problem. ...(Interruptions) The question of rehabilitation is also very much essential. ...(Interruptions)

[Translation]

MR. SPEAKER: No, please ask only question. I will not permit you. You are taking undue advantage of my courtesy. It is not proper. Adhir Chowdhary ji, you please ask only question.

...(Interruptions)

[English]

SHRI ADHIR CHOWDHARY (Berhampore, West Bengal): Sir, I would like to invite the attention of the hon. Minister on two aspects only.

Firstly, in the village named Fazilpur in Murshidabad District, the gap between the two rivers, on one side Bhagirathi and on the other side Ganga-Padama, has been fast reducing. In the year 1970, it was. ...(Interruptions)

[Translation]

MR. SPEAKER: Please do not narrate story ask only question. If you do so

[English]

I will stop you and go to the next member. Please do not take disadvantage of this. If you cannot ask a question, then you can raise this issue under some other rule.

SHRI ADHIR CHOWDHARY: Sir, during the last two years, the State of West Bengal has not released central funds for implementation of the Anti-Erosion scheme in the district of Murshidabad. I would like to know whether the Central Government is going to take any comprehensive stand. ...*(Interruptions)*

MR. SPEAKER: Nothing further will go on record.

...*(Interruptions)\**

[Translation]

SHRI RAM VILAS PASWAN: Please also give me one minute.

MR. SPEAKER: I cannot give opportunity to all the Members.

...*(Interruptions)*

[English]

MR. SPEAKER: Shri Chowdhary, you were taking undue advantage, therefore, I did not allow you to ask the question.

SHRI ARJUN CHARAN SETHI: Sir, the hon. Member, Shri Dasmuni has stated. ...*(Interruptions)*

MR. SPEAKER: There are 20 Members who want to ask questions. I cannot permit everybody.

[Translation]

MR. SPEAKER: The next question of Adhir ji will not go on record.

...*(Interruptions)\**

DR. RAGHUVANSH PRASAD SINGH (Vaishali): Mr. Speaker, Sir, I am thankful to you that you gave me opportunity to ask question. I would like to submit to the hon'ble Minister that the Ganga river is eroding upto Buxar and Rajmahal in Bihar. it is on account of this erosion that several villages especially in Mahnar and Mohinuddin towns have been washed away by the ganga river. The

roads in Mahnar and Mohiuddin block are being eroded. I would like to know from the hon. Minister as to what action is being taken by the Government to check the erosion and rehabilitation of the displaced?

MR. SPEAKER: Now hon'ble Minister will reply.

...*(Interruptions)*

SHRI RAM VILAS PASWAN: I would like to ask only one question. ...*(Interruptions)*

SHRI ARJUN CHARAN SETHI: It is Calling Attention on West Bengal and he is asking question about Bihar.

MR. SPEAKER: You are right. It is not the matter concerning Bihar. I understand your problem.

...*(Interruptions)*

MR. SPEAKER: You please cooperate, the remaining business is also of the urgent nature.

...*(Interruptions)*

MR. SPEAKER: You please let the hon'ble Minister reply.

[English]

There is a lot of Business to be completed today.

...*(Interruptions)*

[Translation]

MR. SPEAKER: I request you, now you please sit down.

[English]

I am not going to take 'Zero Hour' and there will not be any Lunch Hour today, as you all understand.

SHRI ARJUN CHARAN SETHI: Sir, the hon. Member, Shri Dasmuni has remarked that other than Ganga no other river has been mentioned and that no anti-erosion work has been undertaken by the Government of India.

I would like to mention and I have already stated in my statement that Mahananda Basin has been included in the Vashishtha Committee. Recently, we have constituted a committee under the chairmanship of Shri



[Shri Arjun Charan Sethi]  
Vashishtha, Member, CWC. He has visited the Mahananda area and a few other areas which required urgent attention. These areas have been included and a sum of about R. 249 crore has been provided for the anti-erosion work on Mahananda river.

Similarly, so many measures are taken for the anti-erosion work on Bhagirathi. Mahananda and other rivers have been included in the recently constituted committee under the chairmanship of Shri Vashishtha, Member, CWC. The total amount that we have provided to the State of West Bengal over the years for anti-erosion works is Rs. 161 crore. Since 1996-97 till date, we have provided Rs. 161 crore in favour of the State of West Bengal.

As has already been mentioned, the practice is that we release the funds in favour of the State Government and the State Government has to execute the work. Unless they execute the work on time and give us utilization certificate, it will be difficult on the part of my Ministry to provide/release funds. We cannot do everything on our own. So far as Panchanandpur is concerned, CWPRS, an organisation under my Ministry, has been given the charge to study the scouring of river Ganga at Rajmahal Area. CWPRS is now having physical model studies at Pune. The first & second Report has already been submitted to the State Government of West Bengal and further studies are also being made.

Sir, so far as the questions asked by hon. Member Shri Hassan are concerned, Sir, I have, while replying to the last debate in the Lok Sabha on this particular subject, given details how we are taking steps. A total sum of Rs. 161 crore will be providing to the State Government of West Bengal and whatever the Keskar Committee recommended, we have already complied with in favour of the State Government of West Bengal and other States such as Bihar, UP and Uttaranchal etc.

Sir, I would like to be very frank with you. The subject of water logging, drainage and erosion is in the State List. Unless they give us the details and submit the proposal to us, we cannot go there and visit the spot and take the work on our own. We cannot take. ...*(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI: I gave the proposal. I sent you the proposal in detail, certified by the Government.

SHRI ARJUN CHARAN SETHI: Dasmunshiji, I have already sent the proposal to the State Government. It is the State Government who are to submit the proposal. Unless they submit the proposal, we cannot discuss with the District Administration to consider the proposal and get it implemented. This is the situation, Sir.

12.28 hrs.

INDIAN TELEGRAPH (AMENDMENT)  
BILL, 2003

*[English]*

MR. SPEAKER: I go to the next item, Item No. 21, Shri Arun Shourie.

...*(Interruptions)*

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): Sir, I beg to move for leave to withdraw a Bill further to amend the Indian Telegraph Act, 1885.

In my statement, which has been circulated, there is just a one small change. In the last line, the third last word is 'Repealed'. It should be 'Replaced'. It has been wrongly typed. ...*(Interruptions)*

MR. SPEAKER: Two hon. Members have asked for my permission to speak on this subject. One is Shri Priya Ranjan Dasmunsi and the other is Shri Pawan Kumar Bansal. So, both of them will be allowed to speak. If you want to speak, you can also speak thereafter.

...*(Interruptions)*

MR. SPEAKER: There will be no 'Zero Hour' today.

SHRI ARUN SHOURIE: Then I beg to withdraw the Bill, Sir.

MR. SPEAKER: Before withdrawal, they would like to speak and I have permitted them to speak.

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Sir, the legislative procedures of Parliament are very clearly spelt out both in our Rules Book and in the Constitution.

Sir, the Rules Books also is very clear. I refer Page 123 of the Rules Books pertaining to the functions of the

Standing Committees. Rule 331E says in Para (b): the Standing Committee "to examine such Bills pertaining to the concerned Ministries/Departments as are referred to the Committee by the Chairman. ..."

Sir, the Standing Committees are a part of the Parliament. When a Bill is introduced in the House and instantly referred to Standing Committee, it not only becomes the property of the House, unless it is withdrawn, but also the property of the Standing Committee, unless they submit the Report.

And Article 123 of the Constitution mentions about the power of President to promulgate Ordinances. ...(*Interruptions*) Article 123 of the Constitution says: "If at any time, except when both Houses of Parliament are in Session, the President is satisfied that circumstances exist which render it necessary for him to take immediate action, he may promulgate such Ordinances as the circumstances appear to him to require."

We know it and the President is advised by the Council of Ministers. Sir, my question is this. In spite of the fact that the Bill was introduced in August 2003, referred it to a Standing Committee and the Standing Committee, due on its deliberation, could not yet come to the Parliament to report, the Government failed to advise the President that the Bill, after being introduced, referred to the Standing Committee.

On that failure or ignorance on the part of the Council of Ministers, the President applied his Ordinance power for which we gave our disapproval notice. Now, Mr. Speaker, Sir, the Minister came today to withdraw the Bill only when he was convinced that the parliamentary authority has been undermined by the Council of Ministers while a Bill introduced is already the property in the hand of the Standing Committee with which we function under your wisdom. Therefore, I would urge the Minister to give a categorical assurance on behalf of the Government to fulfil his collective responsibility and accountability to the Parliament under article 74 that in future they should not advise the President, keeping him in dark about the entire propriety right of the Parliament, on any Bill which is under examination of the Standing Committee till it has not reported, and they should not bring Ordinances in such a manner which is following a wrong route. I demand that assurance from the Minister in this House in order to defend the integrity and propriety rights of the Parliament and the Standing Committee.

SHRI PAWAN KUMAR BANSAL (Chandigarh): Mr. Speaker, Sir, this only shows the lackadaisical manner in

which the Government functions. As our hon. Member, Shri Priya Ranjan Dasmunsi has just now pointed out, I would only refer to some dates for this. As we know, the Indian Telegraph (Amendment) Bill, which is certainly sought to serve a very salutary purpose of bringing in the concept of universal service obligation, was introduced on the 4th of August in the last session. That session concluded on 21st of August. During those days, the Government took no step to get that matter listed for discussion. After the session the Lok Sabha adjourned *sine die* and that Bill was referred to the Standing Committee on 15th of September and the time given to the Standing Committee was a very short one.

The Standing Committee had to report to the Parliamentary by the last day of the first week of this session, meaning thereby that the Report, in any case, would have come to this House after a detailed discussion thereon by the 5th of this month. That was the last day of the first week of this session. Today it is 19th. By this time, we could have discussed the Report of the Standing Committee and passed it. But what this Government does is this. It is because, perhaps, the left hand does not know what the right hand is doing.

MR. SPEAKER: Who is the left hand and who is the right hand?

SHRIMATI RENUKA CHOWDHURY (Khammam): The BJP speaks with a forked tongue.

SHRI PAWAN KUMAR BANSAL: They are the relevant Ministry and the Ministry of Parliamentary Affairs.

Today we have been asked permission to withdraw this Bill. That Ordinance, which was promulgated during the recess of this Parliament, is not again listed for discussion in this House. It is after today, perhaps, on Monday that Bill would be introduced. ...(*Interruptions*)

MR. SPEAKER: That is what I wanted to know.

SHRI PAWAN KUMAR BANSAL: The amount of legislation that we have before us, Sir, would lead to a situation where that Ordinance would lapse, and again during the recess of this Parliament, another Ordinance would be issued. That is how, this Government functions. ...(*Interruptions*)

I would only like to say that mockery is being made of the entire process. The important question that the Committee was addressing itself to was as to the custody of the fund. We are not opposed. We are rather

[Shri Pawan Kumar Bansal]

supportive of the fund. But how do you deal with the fund? Whether that becomes part of the Consolidated Fund of India or not was a very important question which you had referred to the Committee to discuss and then report to the Parliament.

Of course, this is repetitive but I am saying this for the sake of adding emphasis. Despite the fact that the matter is before the Committee, it has been withdrawn from there and Parliament is being placed in a situation where the matter would not be discussed again.

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, this is another form of making the Legislature a rubber stamp.

The House is seized of the matter. The Standing Committee is a part and parcel of this House. They are already seized of the matter regarding this Bill. It is under consideration in the Committee. When the Standing Committee is seized of the matter, it is *ultra vires* for the Government to issue an Ordinance on the very same subject. They have no right to issue the Ordinance when the House is seized of the matter. When the House is considering the very same Bill and the Committee is collecting evidence to present a Report to the House, where does the Executive get the authority to do this? There is no provision in the Constitution authorising the Government to issue an Ordinance. I cannot understand it. When the matter was referred to the Committee and the House was adjourned without taking a decision on that Bill, the Ordinance has been issued. Here is a case where the House has already taken cognizance of the Bill and is considering it. So, what the Government has done is highly illegal and irregular. I am of the opinion that they have no jurisdiction to issue an Ordinance when the House is considering the Bill and the Standing Committee is seized of the matter.

MR. SPEAKER: You have made your point. Please take your seat now.

SHRI VARKALA RADHAKRISHNAN: The other fact is that as the President has promulgated the Ordinance the Indian Telegraph (Amendment) Bill, 2003 is proposed to be withdrawn. I can understand it if a new Bill is to be introduced to replace the Ordinance but I cannot understand the use of the word 'repeal'. He has used the word, 'repeal'. Who has authorised him to repeal the ordinance?

MR. SPEAKER: He is going to reply to that. That is what the hon. Minister is going to explain to you.

SHRI VARKALA RADHAKRISHNAN: He has to say that instead of 'repeal' it has to be 'replace'. 'Replace' is the proper word to be used here.

SHRI ARUN SHOURIE: I had anticipated your direction and accepted the word 'replace'. It was inadvertently typed that way.

The position as far as I remember, Shri Bansal, is that it was not that the Bill had not been introduced. It had been listed for discussion in the last Session on five consecutive days but such were the circumstances well known to the House that the Bill could not be taken up for consideration. All of us in this House agree and it has often been said in the Consultative Committee that we want rural telephone to improve swiftly. The *modus* for that, as Shri Paswan knows, is to create a universal service obligation fund. Since April 2002, five per cent of the total adjusted gross revenue is being collected from private operators for rural telephony. To make it operational, a fund has to be created. The expectation was that it would be done earlier. We were asked whether it could be a part of the Bill to amend the 1885 Act. A Bill was introduced and it was listed on five days.

The Standing Committee is strongly urging us to hurry up with this Bill to achieve this objective. It is not at all out of the slightest disregard for the Standing Committee but it is for the furtherance of the objectives of the Standing Committee and in accordance with its admonition to hurry these things up that this has been done. It is because this Bill could not be passed in the last Session even though everybody agrees to it that we requested the President to issue the Ordinance.

Our senior Member is completely right that it is to 'replace' the Ordinance that this Bill is being introduced. The President has given the sanction and as soon as the Speaker lists it, we would introduce the Bill.

SHRI VARKALA RADHAKRISHNAN: What is the word?

SHRI ARUN SHOURIE: It is 'replace'.

SHRI VARKALA RADHAKRISHNAN: So, do you accept it.

SHRI ARUN SHOURIE: Of course, I do accept it. I always accept whatever you say. ...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: That means he has accepted. ...(*Interruptions*) This is how casually they are moving. It is a very important Bill. ...(*Interruptions*)

MR. SPEAKER: This is a very serious issue. I had held the meeting on this issue. They are very serious about it.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: The meaning of 'repeal' and 'replacement' is entirely different. Now, the word is 'repeal'. They can only move for 'replacement' only. Even without knowing that they are coming and doing like this. ...(Interruptions)

MR. SPEAKER: The Minister and myself, both agree with you.

...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI: Does he demand that the Minister should be replaced! ...(Interruptions)

MR. SPEAKER: Is that your demand?

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: I will take a course for him as to how things are to be done in matters like this. ...(Interruptions)

SHRI ARUN SHORUIE: I assure the House that I will beautifully attend the course. ...(Interruptions)

MR. SPEAKER: The Minister may move the motion.

SHRI ARUN SHOURIE: I beg to move for leave to withdraw a Bill further to amend the Indian Telegraph Act, 1885.

MR. SPEAKER: The question is:

"That leave be granted to withdraw a Bill further to amend the Indian Telegraph Act, 1885."

*The motion was adopted.*

SHRI ARUN SHOURIE: I withdraw the Bill.

[English]

SHRI RASHID ALVI (Amroha): Sir, 'Zero Hour' is important. There are so many important issues. ...(Interruptions)

MR. SPEAKER: Now, I go to item No. 29.

[Translation]

I feel that 'Zero Hour' is important that is why everyday I try to conduct 'Zero Hour'. All of you know that we should also devote some time to the subject which is being discussed all over the country. It is essential to discuss this subject so I have suspended 'Zero Hour' today and the further Business will be discussed under the Rule 193. We are starting the discussion. Shri Kirit Somaiya. ...(Interruptions)

MR. SPEAKER: We will take up 'Zero Hour' on Monday you may give notice again for Monday. You certainly give notice on Monday.

...(Interruptions)

KUNWAR AKHILESH SINGH (Maharajanj, U.P.): The discussion on Action Taken Report of JPC will be held under Rule 1993. ...(Interruptions)

MR. SPEAKER: That will also be done. The time will be decided in BAC.

KUNWAR AKHILESH SINGH: After all why the discussion regarding the JPC is being deferred? That was also important and was also included in yesterday's list of Business.

MR. SPEAKER: Nobody wants to defer it. I have called BAC meeting at one o'clock. The time will be decided in that meeting.

SHRI THAWAR CHAND GEHLOT (Shajapur): Mr. Speaker, Sir, if the discussion is not held under Rule 377 then please allow it to be laid.

MR. SPEAKER: I will get it laid after the discussion.

12.42 hrs.

## DISCUSSION UNDER RULE 193

### Recent Stamp Paper Scam

[Translation]

SHRI KIRIT SOMAIYA (Mumbai North East): Mr. Speaker, Sir, I extend my thanks to you for having given me a chance to initiate the discussion on the issue before

[Shri Kirit Somaiya]

the House which has drawn the attention of not only Maharashtra of Karnataka but also the entire country.

Sir, no one, except two knows the amount of money involved in the scam and that's either 'Telgi' or 'god' as to whether the amount involved is Rs. 300, Rs. 3000 or Rs. 30,000 crore.

[English]

MR. SPEAKER: Mr. Shipping Minister, there should be no discussion in the House, because I advise the Members to meet you in your Chamber.

...(Interruptions)

[Translation]

SHRI KIRIT SOMAIYA: Today the entire country is concerned as to what will be our future after stamp paper scam involving so many thousand crores of rupees. People want to know how, when and why did this happen who did it, who gave him support and on whose directions did this scam take place!

Mr. Speaker, and myself, both belong to Mumbai. Sometimes we go to chaupati for a stroll, many of the hon. Members too must have visited the place. Chaupati is a famous spot in Mumbai. Bhelpuri walas, panipuri walas are often seen attracting the visitors with their delicious foods. Stamp papers of 32 thousand crore rupees were sold and no one knows, the fake stamp papers of how much worth are still in the market. Whether 'Telgi' alone has done it? Whether he was in Chaupati, or Connaught Place of Delhi or New Delhi Railway Station, or Kolkata or Hyderabad city of Andhra Pradesh at the same time?

Sir, whether he was in Punjab? In fact these fake stamp papers of Telgi were there every where. Whether it was Telgi alone who was selling these stamp appears in less prices i.e. Rs. 100 stamp appear for Rs. 50 or Rs. 1000 stamp appear for Rs. 500 convincing the people that these stamp papers are genuine and there is nothing to worry or even the police is involved?

[English]

I am surprised and I am shocked at the way in which the Telgi stamp paper scam had been dealt with by various authorities.

[Translation]

Mr. Speaker, Sir, I have requested the government of Maharashtra so many times to first find out the total loss of money, criminal aspect may be looked into later on.

[English]

The country is asking you and demanding from you as to how has it happened.

[Translation]

I doubt whether it is a part of the conspiracy to destabilize the country? Many a times the hon. Chair has granted permission to ask the question as to what is the source of fake currency which is in circulation. It has been discussed quite many a times that this currency is coming from across the border. For years together we have been facing the problem of cross-border terrorism, and now in economic sector, industrial sector, or business market, there are concerns that now another terrorism—"economic terrorism" is taking the country into its clutches. Efforts are being made to de-stabilise the economic system of the country. Whether the Telgi Stamp Paper Scam is a part of this conspiracy? Common man would have no more faith in the economy of the country if anything of this kind happens. People in small towns and villages would doubt whether the currency notes of Rs. 5, 10, 50 or 100 are genuine or fake. Even people going for some agreement etc. would doubt the genuineness of stamp paper. This is a below to our economy.

Mr. Speaker, Sir, many a times we have discussed here that such kinds of conspiracies in the form of fake currency, fake stamp paper, or scams in the capital market are being hatched to destabilize our economy. Many a times efforts have been made to drag the country into crisis. Sir, through you, I wish to convey the concern of the common people of this country to the hon. Minister. People may look at it from political point of view, but I, through you, would say that it may be considered seriously from economic point of view. Ministers or politicians, if found involved, should be punished as this is a wide issue.

[English]

They have used.

[*Translation*]

He knows that the special investigation team submitted its report after interaction in connection with Telgi.

[*English*]

It is mentioned somewhere that there is a paragraph. ...(*Interruptions*)

[*Translation*]

DR. RAGHUVANSH PRASAD SINGH (*Vaishali*): Mr. Speaker, Sir, the machine with which Telgi had manufactured the stamp was sold to him during the tenure of Shri Yashwant Sinha ji. Please reveal this fact too, why this is not being revealed. We had to move this subject, but he has moved it. Telgi acquired this machine during Shri Yashwant Sinha's tenure. Please also reveal the fact as to where from this machine and ink was received, which Minister recommended it and who purchased it. Please do not misguide the House. It is the mystery which he is not revealing. ...(*Interruptions*)

SHRI KIRIT SOMAIYA: Hon. Mr. Speaker, Sir, sometimes I really feel pity about the State of Affairs that on one hand we have such a big scam involving rupees 32 thousand crore and on the other, we give importance to such low level things such as when and where from the machine or ink was acquired. I have already told that this could not have been possible without a proper network. ...(*Interruptions*)

[*English*]

SHRIMATI RENUKA CHOWDHURY (*Khammam*): Sir, India is buying bank note papers at 7,000 dollars per tonne whereas it is available in many parts of the world at 5,000 dollars per tonne. I want the hon. Minister to reply to this also. ...(*Interruptions*)

[*Translation*]

SHRI KIRIT SOMAIYA: It is mentioned here that Abdul Karim has affiliations with an activist of SIMI.

[*English*]

who is the Calcutta-based operator, Mr. Rasheed. He is the area operator of West Bengal and Telgi organised finances for him.

[*Translation*]

Mr. Speaker, Sir, it has also been reported somewhere that this process does not stop here. I wish to ask another question that someone says that the matter involves rupees 10 thousand crore, while the other says it is rupees 20 thousand crore, and somewhere it is said that it involves rupees 30 thousand crore and this has been going on in the country for the last two or three or four years, a single person obtains such a huge amount where did the money go if he was operating single-handedly? Is it not our responsibility as to where did the money go? I would request both the Central Government and the State Government to join hands; come together and investigate from this angle also. We should know whether it was the Mumbai Police, the SIT, the Karnataka Police or the CBI that was involved in this. ...(*Interruptions*)

[*Translation*]

where did rupees 30 thousand crore go, who obtained this amount, how was it obtained, where did it go and where was it used.

[*English*]

SHRI R.L. JALAPPA (*Chikaballapur*): Sir, I need one minute to speak here.

MR. SPEAKER: Shri Kirit Somaiya, are you yielding?

SHRI R.L. JALAPPA: Shri Somaiya, please give me one minute. Sir, a letter was written to the Finance Minister by the Chief Minister of Karnataka as back as 12 July 2002. Hitherto, no action was taken. ...(*Interruptions*)

MR. SPEAKER: The Deputy Leader of the party will mention all these things later when he speaks.

SHRI KIRIT SOMAIYA: Mr. Speaker, Sir, again I would like to tell the leaders in opposition and other hon. Members that today the whole country is looking towards us. People are waiting for a top-level discussion. I want to say that if any politician, bureaucrat or police-personnel has done a wrong, we are ready to face the punishment.

Sir, therefore, I would like to draw his attention towards generation of Rs. 60,000 crore. It is such a big amount and where it has gone? ...(*Interruptions*)

MR. SPEAKER: He has said that the amount was Rs. 60,000 crore.

SHRI KIRIT SOMAIYA: Mr. Speaker, Sir, I have read somewhere that this amount has been either invested in films, or in SIMI's activities or for purchasing of real estate. It was also mentioned that it has been sent abroad through Hawala route. I am not sure about it, but we will have to think about it. This money has been generated in black, because this money has not been generated officially. Then who will utilise this black money and what would be its *modus-operandi*? It was pained to learn through newspapers or TV that Police-personnel are being blamed for Telagi's HIV/AIDS disease. Though I would not like to name anybody. But Telagi's advocate has levelled such allegations. It was reported on T.V. that Telgi was administered HIV infected injection while he was in lock-up in a particular police station.

[English]

It means we are making the villain a hero.

[Translation]

Then they talk of murder and something or the other news is reported everyday. And then we ask as to what is going on? On an enquiry, police officials and the concerned authority stated that he was medically examined the very day he was arrested and that

[English]

he was having HIV even before he was arrested.

[Translation]

Sir, I want to draw your attention towards it because let us not drag this issue too far. We will have to find out where the money has gone? I was citing an example of Delhi. I have read somewhere that five cases relating to fake stamp papers have been registered in Delhi and eight bank accounts have been detected.

[English]

With regard to this particular account, Rs. 2 crore were withdrawn at a single time.

[Translation]

When I tried to gether full information about it, I came to know that not only in Delhi, six-seven cases in Andhra, Kolkatta, Madhya Pradesh, throughout the country, in 17 states such cases have been registered.

Sir, first of all, I would like to ask hon. Finance Minister as to total how many cases relating to fake stamp paper have been registered or detected in the country?

[English]

So that we will be able to know and understand it. My point is that, this incident has happened in several states. Hence, we cannot blame a particular person or a particular political party for it.

[Translation]

If cases have been registered at several places it means this scam was spread throughout the country,

[English]

then what would be their marketing network. I cannot even imagine that.

[Translation]

If the Government want to sell legally official stamp paper then an arrangement will have to be made for quite wide network and see, this man was selling fake stamp paper. If he has cornered Rs. 40,000 or Rs. 60,000 crore then the Government should see gravity of its seriousness. I would like to say that

[English]

it seems that many of the investing agencies are concentrating on the person who helped or helping or tried to help Telgi. Yes, it has to be done.

[Translation]

We will have to ask investing agency to find out about its whole network and the beneficiaries. But investing agency should be autonomous body.

[English]

They have the authority. After all, the legislature as also the common people have a duty.

[Translation]

They should also investigate as to who are those involved in this network. Though I do not want to name any particular state, but I would like to say that be it

Maharashtra, Kamataka, Andhra Pradesh or Gujarat, when I was the list of people arrested, I observed that most of them, say 95 percent were helping Telgi and that's why they were arrested. But, I want to know, will the Government arrest other parts of this wide network or not?

[English]

Actually, we should have concentrated more on that. Simultaneously, we should concentrate more to stop further revenue loss.

[Translation]

Total revenue loss so far is one thing but second issue is how to prevent further revenue loss. I was with a senior officer who is an authority. When I met him he told me that he had received my letter two days ago. He said, "I had asked four of my colleagues to go into the details". Then he narrated an episode to me. ...(*Interruptions*)

[English]

MR. SPEAKER: How much time you would take because at one o'clock, there is a Business Advisory Committee meeting and most of the leaders are here.

SHRI KIRIT SOMAIYA: Sir, I need another 15 minutes time. This is a very important subject and I want to highlight different angles of this issue.

MR. SPEAKER: Please go ahead.

[Translation]

SHRI KIRIT SOMAIYA: That particular officer told me "Mr. Somaiya, after your request, I just wanted to know the details." He named one highly developed country. The intelligency agency of that country observed that the inflow or their currency has increased so much in Hongkong and Singapore and elsewhere.

[English]

That Intelligence Team was sent to that country.

[Translation]

After reaching there, they learnt that the inflow was from Taiwan. On reaching Taiwan, they found that a forged

printing press of that particular country existed in Taiwan. Since currency of that particular country used to be printed in Japan and gang leaders of Taiwan managed some machinery of the printing press and started printing notes.

[English]

The other point, which is more important, is that, that Government immediately started "Operation Salvation". I am worried about that. I am not able to understand as to what damage control exercise we have started.

[Translation]

Our first objective is to find out the reasons behind it and find out criminal angle in it. And first we should try to minimise the damage.

[English]

I would like to appeal to the state as well as the Central Government that we must concentrate on that also, that is operation.

[Translation]

The name of the country to which the currency belonged was not given.

[English]

Immediately, the Central Bank of that country announced that they were withdrawing the currency of that particular denomination.

[Translation]

What happens is that the currency of a particular denomination is withdrawn. One who is in possession of 700, one thousand or 10 thousand rupees would go to bank and get the change but the one having forged currency of 50 crore rupee would not go there.

[English]

This is the method. So, I would like to appeal.

[Translation]

Even today so many bogus stamp papers are in the market.



[Shri Kirit Somaiya]

[English]

Nobody knows; we will have to take immediate steps on how it should be stopped and how it should be replaced. Some States have taken some steps, but they need to take more steps.

Finally, I would like to appeal, through you, Sir, that there is a need that the Government should immediately take the initiative, coordinate with the State Governments and they must appoint two groups

[Translation]

that how to stop the revenue losses in it and an expert group be set up to deal with it that would provide information within 5-10 days that what steps we have to take.

[English]

13.00 hrs.

Another group must go in to the depth as to what corrective measures should be taken.

[Translation]

This much is the correction. This stamp act what enacted in 1890 and it has become obsolete.

[English]

Now, demat, electronic transfer of money, and many such modern methods have come.

[Translation]

There is a need to study as how the transactions take place abroad and also what is the registration process therein. I am happy to learn that the hon. Minister of Finance had made an announcement for initiating demat system in these transactions. This could be one of the methods and for this co-ordination with the State would have to made.

Mr. Speaker, Sir, I would also like to draw your attention towards the Telgi issue that has become the talk of the town in Mumbai.

13.01 hrs.

[SHRI P.H. PANDIAN *in the Chair*]

The people of Mumbai interpret Telgi as Tel (oil) i.e. the Authority officers which acted in collusion with Ghee

(i.e. Telgi) and his associates. The second phase used in this regard has very indecent connotation. These officers who worked in collusion with Telgi got the oil while Telgi got the ghee. However, the Government has nothing of substance in its fate. I have a figure as to how much revenues losses had been suffered by the Government. The day the action was taken against Telgi by the Government and now corrective measures were taken, the revenue increased to 750 crore rupees. This goes on to show as to in how large quantum the fake stamp paper was in circulation. The people are telling me that his agent were in the marketing network Telgi used to supply the fake paper to a major operates at 50 percent discount which in turn used to be passed on to the smaller operators at 40 percent and 30 percent respectively. To be illustrated in lump sum of an operator purchased the stamp paper worth rupees 50 lakh, he could get 10 percent discount. However it was not something that was hard and fast because sometimes the discount received touched 20 percent figures while some other time it could be as low as 10 percent. I would also like to appeal that—

[English]

Who is the beneficiary? Apart from those who were the masterminds behind this racket, those who have purchased the stamp papers in bulk quantities from this parallel system should also be interrogated. They should be questioned and they should be checked.

[Translation]

The lucrative discount of 10, 20, 25 or 40 percent would leave no space for someone to think as to whether the stamp paper are fake or genuine.

[English]

I would once again appreciate the concern of the Finance Minister.

[Translation]

for making the announcement that whatever agreements have already taken place even in the fake stamp papers would remain valued. I would like to thank the hon. Minister for alleviating this fear from the minds of these persons who have either purchased their homes of something else by paying an amount of 4<sup>1</sup>/<sub>2</sub> lakhs and more as after the exposure of Telgi scam, they grew extremely anxious about the validity of their agreement and in turn about their fate.

I would like to request the hon. Minister to again reiterate his declaration that would provide a lot of relief to the common man. I would also like to know about the initiatives taken by the various State Governments and the statewise information received in this regard? You should also inform as to whether the involvement of police has also been found in it. Further of the information of any Minister being involved in it these, you should take action against the Minister whether he belongs to Gujarat or Karnataka or anywhere else. These information should be given to the House.

You were talking about Karnataka. I did not want to talk about the subject but we would have to look into that an innocent person not only in Karnataka.

[English]

In another State, a Government official made a statement to the effect that any agreement signed on such a fake stamp paper would not be treated as valued.

[Translation]

This statement has aroused apprehension in the mind of the people. Through you, I would also like to say to the hon. Finance Minister that where has this money been invested, has it gone for the purchase of lap top or in film about? So many bogus bank account were found. Through you, I would also like to request that the assistance of the CAG office and Accountant-General be taken to find out as how much civil and revenue losses has been suffered by the Government due to this scam.

The revenue department of the State Governments be asked to study the revenue generation trend of previous years. They should reckon that what was the revenue generation in 1991, 1992 or in 1994.

[English]

particularly through this type of instrument, then what is your normal growth? The growth figure must be added and seen whether it is matching with the revenue receipt through the sale of this type of stamp paper.

[Translation]

I would like to tell in content of some states about which I have got the information that there is horrible difference. There is mismatch. The particular State Government purchased the stamp paper worth Rs. 200 crore only though their agreement registration was for Rs. 1200 crore.

[English]

There is a mismatch of thousands of crores of rupees.

[Translation]

I would like to define registration of stamp paper in an easy language.

[English]

Supposing, I am purchasing a residential flat in Mumbai then, I will have to purchase worth Rs. 20,000 stamp paper from the Stamp Paper Collectorate or through his agent. Then, I will have to go to the Registrar to get my agreement registered with him.

[Translation]

Suppose I purchase a flat costing 4-5 lakhs and if 5 percent stamp duty is levied on it then I will have to go the SPC or contact them through the agent. My flat would only be registered if I pay the duty of Rs. 25 thousand on my flat of Rs. Five lakh. We should only do one thing that we should.

[English]

Select five cities or 10 cities throughout the country.

[Translation]

to study as to how many transactions in real estate have been registered and how much worth of stamp paper of particular denomination vis-a-vis the transaction have been done.

[English]

It is easy to check. So, I would submit that the AG and CAG may be requested

[Translation]

to find out the revenue generated during the last ten years and also find the as how much shortfall has been found.

[English]

because nobody at present knows what is the revenue loss.

[Shri Kirit Somaiya]

One more thing I would like to make. Yes, all the investigative agencies have concentrated—as I told you with the people who are helping and who are in the Government system.

[Translation]

In addition, we will have to find out if some businessmen or industrialists were also involved. Without naming any particular person, I would like to say that medium sized, not so big, industrialists were found to be involved in it. Their total assets increased by 100 times in 3-4 years. They amassed so much money

[English]

then there is a need to check.

I would like to bring to your kind notice another angle. Today people have lost faith in police. Mumbai was known as the Scotland Yard of the country.

[Translation]

Today Mumbai's Police Commissioner, Joint Commissioner both are in jail. Inquiry is being held against DG, Maharashtra. Today, if we happen to visit local police station, like Mulund or Chopati Police station, people will not believe what sort of staff would be on duty there. Even Inspector on duty may not be knowing if his Sub-Inspector may be involved in Telgi scam. The whole system has been shattered. We should try to tone up the system. I would also like to request that we will have to be a little bit active. As I told, I requested the Government of Maharashtra 15 times to talk to AG, CAG and take collective action to stop revenue loss.

[English]

But I did not get any response from the Maharashtra Government. But I seriously respect hon. Governor of Maharashtra whom I sent the Memorandum. He respected it and responded it. It is not confined to the stamp paper and revenue stamp only, now, it has been found out that even the franking machine is forged.

[Translation]

Even franking machine was found forged or duplicate. My submission is that we will have to seriously ponder over it.

I would again like to tell you that even during demat process, we should see that it should not be over

burdened. About depositories, I would submit that it is a technical matter. But we have to create two to three different agencies. Demat is a very good step and we should try to do it. NSBL is the only agency.

I would like to draw your attention towards one more thing. I have got some data as to in which States these scams have taken place. It has been said that.

[English]

in Maharashtra, it is Rs. 2000 crore; in Delhi it is Rs. 214 crore; in Karnataka, it is Rs. 205 crore; and in Andhra Pradesh, it is Rs. 19.70 crore. How many such cases have been registered? I am talking about the cases registered before 2002.

[Translation]

It is the beginning and after this the complete chain started. It spread to all places from Vishakhapatnam. But, today, we will have to give commitment as to how we would deal with it. A politician in Maharashtra shows a letter of a police officer, another person a letter of one Shri Kamath, who has been arrested by SIT. He has also sent a copy of that letter to me. Same Kamath wrote a letter to the Governor but that letter did not reach to Governor. Opposition leader get a copy of that letter and he sends copy of that letter to the Governor. When hon. Governor comes to know that a police officer has written a letter in connection with Telgi scam to him he ordered investigation into it.

[English]

SHRI SHIVRAJ V. PATIL (Latur): Sir, I must say that Shri Kirit Somaiya is doing it very well. All the arguments he has advanced are very good and nobody would take exception to those arguments, except the last point. I would ask him, whether he would like to involve *Rajyapal* in this. If he wants to involve *Rajyapal* in this, then the Members in the House would be saying anything in favour of or against him.

SHRI KIRIT SOMAIYA: I do not want to bring him in the discussion, but I would request him to see what is the main point here. I will come to the main point now. Who has written the letter and to whom?

[Translation]

Now it has entered second phase. Only to that, I wanted to draw your attention. An accused is naming ten others

as co-accused then where will we go? Politicians are also dragged in that. Police officers are telling if I have been arrested. Why not he? He further says, he phoned him on mobile and asked him to pay certain amount. I wanted to bring in that point. If inquiry and investigation is continued on same scale, no one knows where will we land? So far as politician of the Union Government approaching Supreme Court for streamlining the inquiry process is concerned, I would like to say that there is a need of coordinated effort in this regard. Some people object to court's or CBI's functioning. I respect all the courts. But if request for investigative or corrective measures keep coming CBI will have to get itself involved in it.

*[English]*

I do not mind whether CBI alone does it or the CBI with the help of State Police does it. It has to be decided by the Government.

*[Translation]*

But there is a need for both of these agencies to get involved in it and we will have to find out if there is any cross-border activity in this regard. I willingly did not name anybody and would not name also. One particular partnership firm was operating from Pondicherry. Suddenly they got Rs. 700 crore. Thus, this angle would also have to be investigated. This letter contains all these details. Therefore, I would like to draw your attention towards that also.

I had made certain suggestions to all the State Governments. We will have to find out as to who is a bulk customer amongst big agents and large corporates? We will have to ask first the Revenue Department. I am not taking about the agent. If any particular company consumes stamp papers and adhesive stamps worth Rs. three crore in a month then we will have to observe that company and we will have to inquire as to where from the bulk-customer bought the stamps? It seems that some of the officials got carried away in the name of 10-20 percent commission.

*[English]*

They, knowingly or unknowingly, or directly or indirectly became a part of the Telgi marketing network.

*[Translation]*

It is the reality. My submission is that the findings of SIT should be made public. One more thing I would like to

bring to your notice. 5-10 sample cases should be taken up and there should be full-fledged concentration on those. And on the basis of that concentration

*[English]*

I think we will be able to do something more.

MR. CHAIRMAN: Shri Somaiya, you have taken 35 minutes.

SHRI KIRIT SOMAIYA: I will just take two minutes more. I am just concluding now. This is my last point after which I will conclude. It is said, let us learn the lesson because our democratic system has faced such scams. But we came together. We learnt the lesson and we tried to correct and strengthen the system. One newspaper has published a very good editorial. He has written: "Good from Bad". Let us learn the lesson. Let us correct the system. Let us come together".

*[Translation]*

We shall have to bring improvements in system like franking machines etc. in view of this stamp paper scam, adhesive scam etc. Today one Abdul Karim Telgi has been apprehended. Be it SIMI, or any other organisation behind it. If such kinds of things are happening in the country,

*[English]*

in a way alternative to the currency.

*[Translation]*

We shall have to look into every aspect. We shall check the circulation of such stamp paper, take corrective measures for preventing the circulation of same kind of documents. The hon. Minister of Finance and Shourie ji has collectively started similar system in small savings and postal savings as was started in the security market a few years back. Earlier the cheques of various dividends or refunds were stolen midway. Even the shares which were transferred, got stolen.

*[English]*

The Government has started Demat System and electronic transfer system.

*[Translation]*

The Government have started it even in postal savings. I extend my thanks to the hon. Minister for this. He

[Shri Shivraj V. Patil]

launched pilot project in Mumbai. It has been started for the National Savings Certificate and the Kisan Vikas Patra.

[English]

So, let us learn a lesson from what has happened. Let us go to good from bad.

[Translation]

I am confident that we would evolve a new system which could check such scams. Today in this 21st century, we have full command over the information technology. We should evolve a perfect system. With these words, I extend my thanks.

[English]

SHRI SHIVRAJ V. PATIL (Latur): Sir, I would like to say that Shri Kirit Somaiya has made a balanced speech. I would have also said the same thing and if I sit down saying that I endorse his statement, my speech would be complete. He has spoken responsibly and in a blanced manner. There are a few points on which I should express my views on behalf of this side.

One of the points is, we are all worried that this big scam has taken place in the country. We are of the view that proper investigation should be done, facts should be brought to light and action taken as per law against anybody who is involved in this. It is not necessary to hide the facts. It is not necessary to protect anybody. If the Government takes action against those persons who are responsible for this crime, we all will be very happy. Shri Somaiya has rightly said that when matters of this nature come to the notice of the people, sometimes action is taken in such a fashion that some persons are tried to be implicated and some kind of investigation is started against them. I would say that whether it is a private person, businessman, an industrialist, government servant or a politician, no witch-hunting should be done against him. At the same time, everything should be done to find out who is responsible for this kind of a crime and he should be punished according to the law.

Sir, this is really a very big case and you, as a good lawyer, know that if this case were argued in a court of law, they would have taken not only hours but they would have taken days and even months to fully argue this case. But that is not going to be possible in the House. Within the limited time, we shall have to express our views. Shri Kirit Somaiya has done it. I will try to do it in the same fashion so that other Members

also get the opportunity to express their views if they want to.

This scam is spread over the entire country. Now the States in which this scam has spread are: Karnataka, Andhra Pradesh, Maharashtra, Orissa, Haryana, Delhi, West Bengal, Bihar and may be other States also. It has spread into other States also. States are not involved but it has spread into other States also. So, this is something which is spread over the entire country as such. That is why, we shall have to take care to see that investigation is done in such a fashion that the facts are brought to the notice of the court and the authority which can punish these people.

Generally, in the media, two-three States are mentioned, namely, Karnataka, Maharashtra and sometimes Andhra Pradesh is also mentioned. Let us find out what has been done in Karnataka. I will give just a very brief information about what has been done in Karnataka and Maharashtra. About other States, I do not have any information and it is not necessary to get the information about all other States also to come to certain correct conclusions.

What was done in Karnataka? This matter came to the notice in 2000 and then the investigation started. Now, the Karnataka State has filed, I am told, ten charge sheets and 54 persons have been arrested. Telgi, whose name is often mentioned happened to come from one of the villages in Karnataka. It is stated that he used to live in Mumbai. When his name surfaced, they tried to arrest him but he absconded. He was arrested in Ajmer, Rajasthan by the Karnataka Police. Now Karnataka Police has travelled throughout the country. It went to Maharashtra, Kolkata, Andhra Pradesh and many other places and collected the information. They have very valuable information available with them. That information relates to the fake stamps that were sold. That information relates to the national security press. That information relates to the currency notes also. That information relates to the private companies, public companies and the Government enterprises which had purchased these stamps and used them. That information relates to some of the officers also who are involved in this case. So, the Karnataka Government did all that was necessary and that was possible to find out as to what has happened in this case. The cases have now been filed before the court and the court is looking into them. As Special Team was constituted. That Special Team investigated into the matter. A Special Court has also been constituted. At one stage, they were thinking that

the matter should be looked into by the CBI and the Karnataka Government also. But it seems that the CBI is overburdened and it is very difficult for the CBI to go to all the States—and it is not only to all the State capitals but to all the districts and the *talukas*, where stamps are sold—to collect information. It was not possible for the CBI to go to all the States, districts and the *talukas* and to many places which have been mentioned in the investigating report. That is why, very rightly probably, at the initial stage, the CBI had said that it was overburdened and it would be very difficult for the CBI to investigate into the matter and the Special Team continued the investigation and it is doing its investigation and probably, they have collected enough information and the matter is before the court and it will be looked into. I need not say anything more than this as far as investigation done by the Karnataka Government is concerned.

What has been done by the Maharashtra Government? The Maharashtra Government started the investigation in 2002, it seems, and they arrested some persons. They have arrested nearly 50 persons. They have collected some money and stamps also. So, investigation was started. The matter was in the High Court of Maharashtra and the High Court of Maharashtra desired that certain important officers should be given the responsibility and so, a Special Team was created, officers were appointed, officers were given the responsibility to investigate into the matter.

Shri Kirit Somaiya is very correct when he says that when allegations are levelled against very important police officers, we become very sorry and people lose faith in the police machinery itself. That is the darker side of the issue. But there is one brighter side of the issue also. It is the police officers themselves who investigated into this matter and proceeded against their own colleagues. This is the brighter side. In all walks of life, there are good and bad people. We cannot support the bad people, but we shall certainly have to support good people. So, the police machinery is facing some criticism levelled by the people in the country. But, at the same time, some police officers have also done their duty in a proper manner and we should appreciate that also. In Maharashtra, the police has done the investigation and the matter was referred to the court. When the matter was before the Maharashtra High Court, the issue again came up whether the matter should be referred to the CBI or not. And it seems that the CBI did say in the court also that the Special Team is doing well and it need not be referred to the CBI. The High Court also

came to the conclusion that at that stage, it was not necessary to pass any order against the investigation done by the Special Team in Maharashtra and the Special Team should continue investigation into it. But then some people thought that the matter should be referred to the CBI. The stand of the Maharashtra Government is, if it has to be investigated by the Special Team, then let it be investigated by the Special Team. If it has to be referred to the CBI and if the CBI should be allowed to investigate into it, the Maharashtra Government shall have no difficulty in allowing that to be done.

13.28 hrs.

[MR. SPEAKER *in the Chair*]

In the court also, they made an application that this matter be referred to the CBI, if it is to be referred to the CBI and it seems that the court itself came to the conclusion that the matter was pending in the Supreme Court. And that is why, unless a decision is given by the Supreme Court, the High Court need not take any decision and the matter need not be referred to the CBI. The final decision given by the Supreme Court would be certainly binding on the High Court and the Government also. So, the stand of the Maharashtra Government is that this matter should be thoroughly investigated into. Private persons or the public persons or the politicians or anybody may be involved into it. It should be thoroughly inquired into.

The stand is that necessary action, as per the law, should be taken. We are not alleging anything against anybody. The Maharashtra Government is not alleging anything against any other Government in any other manner. The other Governments are also not alleging anything against the Maharashtra Government as far as my understanding goes. I have not found anything objectionable said by any other authority in any other Government against the Government of Maharashtra. This is as far as Maharashtra is concerned.

There is one more point which has also to be taken care of. That is the point relating to the National Security Press. I do not know whether the investigation is limited to Telgi, his gang, the police officers to some extent and maybe to some others also. They have also gone to the officers in the National Security Press. Certain investigation has also been done. I think we should look into this aspect also without blaming anybody for that matter. If any officer is doing something wrong in the National Security Press, we cannot hold the entire hierarchy from

[Shri Shivraj V. Patil]

top to bottom responsible for this. That would be the wrong thing to do. That would really be protecting the person who is really acting criminally. When this happens, attention is deflected from the man who has really committed the crime to a person who may not be really connected with it or remotely connected with it or innocently he might have done certain things. That also should not be alleged. So, the investigation into what happened in the National Security Press should also be done in a responsible manner. At least, we from here, at this stage, on the basis of the information which is available with us, are not alleging anything against anybody who is not directly mentioned in the report of the investigating officer. We would like to take a very responsible stand.

Shri Somaiya has very rightly said that this is something about which we shall have to be very careful. The investigation has to be done very carefully and the culprits have to be booked. But that is not all. Who is doing it, why is he doing it, how much money has been collected by him, how has that money been used, where has that money gone, it is with him, or, is it with any person who is one of his gang, is it with some persons who are connected with the terrorist activities, is it with somebody who has taken this money outside the country, all these aspects have to be very carefully looked into. The importance of this debate lies in that. It lies in what has to be done and how we should deal with this matter. He has certainly made very good suggestions.

Sir, I will seek your permission to read out certain things. They are a little longish but I would seek your permission because they are very thoughtfully brought into existence. If it is possible for the Government of India to look into these matters for investigating the case in a proper manner or for taking any precautionary action or for preventing this kind of a thing occurring again in future, it would be very useful.

What can be done? What can be done is more important than anything else. The investigation will be done by the police. The case will be filed before the court and it will be heard by it. But then, in order to see that this does not recur, we shall have to take some action at the executive level. We should consider that aspect. What can be done?

As far as the investigation is concerned, it is suggested that an effective intelligence/vigilance network comprising officers drawn from the Central and State Police and other agencies is to be established to

supervise and monitor the ongoing investigation by various agencies. The State Police is investigating it. The Central Police is there. But there has to be coordination. So, it is suggested that an effective intelligence network comprising officers drawn from the Central and State Police as also other agencies is to be established to supervise and monitor the ongoing investigation by various agencies. Periodical meetings and other methodology are to be established to exchange intelligence and information. This has spread over the entire country. It has not happened in one State. Even in one State also, it has not happened in the capital city of that State.

But it has happened at the *taluka* places and district places and many other places also. So, the periodical exchange of information should take place. A comprehensive study of the affairs of the India Security Press is also to be undertaken. The study should include the selection of human resources and the type of officers to be employed to carry on the day-to-day operations at all levels. Immediate weeding out of personnel under cloud is desirable. Discipline needs to be enforced. Every aspect of the work in India Security Press should be closely monitored by an independent body consisting of high-ranking bureaucrats and other agencies, such as, the Intelligence Bureau. Creation of Chief Vigilance Officer with adequate infrastructure is also essential for this purpose.

The procedure of procurement and disposal of unserviceable store items in Security Press needs to be streamlined. There should be proper checks and balance in the procurement of raw materials from private agencies by India Security Press and SPP. The raw material procured by the Presses at Nashik, Hyderabad and other places should not be available to those who have fake kinds of stamps. Periodical stock verification and accounting procedures need to be streamlined by computerisation at all levels.

The uniqueness of each security document should be a guarded secret. The unique features should be introduced in all security documents so that it is not possible to imitate or produce duplicated versions.

Experts, such as GEQD in each Forensic Laboratory, should be equipped to examine the suspected or questioned security document and give opinion. Presently, there are no experts other than the ones in the India Security Press set-up. The present experts offer their opinion based on the experience only.

Presently, there appear to be very little points or parameters to distinguish a fake stamp from a genuine stamp. The ambiguity and absence of points of comparison between the questioned and the genuine security document is also not publicised.

Levels of distinguishing marks to help a layman, a field expert and the ultimate expert in the Security Press need to be evolved and put into practice.

Presently, the responsibility of India Security Press with regard to supply of security documents is limited only to manufacture such documents and collect the manufacturing cost. It is the respective State Governments that are affected due to loss of revenue through the sale of fake stamps. The State Governments could evolve alternate methods or substitutes to the security documents manufactured by India Security Press. It may be advisable to do away once and for all the usage of judicial/non-judicial stamps and stamp papers. A computerised version can be thought of in which the serial numbers of the stamp papers entered into a computer system are networked to a central server. This feature should be given wide publicity so that anyone can verify the genuineness by entering the number of the stamp paper.

The cumbersome procedure of payment, endorsement and embossing needs to be simplified. Multiplicity of agencies should be reduced.

The Blocks of Dandy Roll mark—this is very important—which is encrypted inside the security document during the manufacturing process, should be treated as a property of the India Security Press and kept in safe custody with facility to take out whenever the security document is required to be printed. A periodical inspection of the blocks is to be ensured to prevent misuse of such blocks. It is necessary to verify as to how many times inspections of these Dandy Roll blocks were inspected by the officials of the India Security Press in the past seven years. It is highly probable that the criminal gang must have gained possession of these blocks and indulged in printing fake stamps.

The revenue earnings through the sale of fiscal stamps have never been estimated by the State Governments. Users of fiscal stamps are insurance companies, commercial banks, industrial houses, corporate offices, business houses, etc., about which the State Governments have no authority or concern. The State Governments should create awareness among the users of fiscal stamps educating them that they cannot procure

them from private sources. These agencies should be directed to collect the levy as stamp duty separately under acknowledgment and pass on such accruals to the State Government periodically. It is found that generally stamp papers receive greater attention than the fiscal stamps and adhesive stamps. As the special adhesive stamps, fiscal stamps, postal stamps, court fee stamps and judicial stamp papers need to be given due importance with regard to security features, manufacturing, distribution and sale, as there is wide scope for making illicit money through these varieties of stamps. The system of checks and balances requires to be overhauled.

All currency notes, including one-rupee denomination, are given serial number but stamp papers of above rupees ten thousand denominations are only numbered. All the stamp papers, including the fiscal stamps of high denominations, should be serially numbered.

As the criminal gang has succeeded in achieving wider ramifications across the country, a coordinated efforts is needed among the different wings of criminal justice system to understand the intricacies of the ramification and mode of operations employed by the criminals. The investigation and prosecution needs to be well insulated by attempts to sabotage their work.

These are some of the suggestions, which I have put before the House and the Executive also. They may study these things. We appreciate one thing, which the Government has done. They have declared that those who have used these fake stamp papers will be protected. That is a right stand taken by the Government.

The second suggestion, which was given by Shri Kirit Somaiya, is to find out the amount of money involved. Is it Rs. 2000 crore, is it Rs. 3000 crore, is it Rs. 32,000 crore, is it Rs. 40,000 crore or is it Rs. 60,000 crore? This is a very difficult task and yet somebody has to be on it and somebody has to find out approximately as to what amount of money is involved and where has this money gone. This is a big amount of money, which cannot be easily hidden. Where has this money gone? This has also to be found out. Attempts should be made in this regard.

The responsibility is that of all the Governments in the country, the Government of India, certainly the State Government and the district authorities, the police as well as other authorities also. They have to discharge their duty.



[Shri Shivraj V. Patil]

The only thing that I would request in the end is that let us not allow any criminal to go scot-free and at the same time let us not try to get some political advantage out of this by alleging things against others. If we are correct, the results will be good and if we are not correct, then all will be subject to mudslinging and it will not take us anywhere.

MR. SPEAKER: My request to all the hon. Members, those who are yet to speak, now, is to take only ten minutes because we have to complete this debate, under any circumstances, by 3 o'clock. The hon. Minister will be on his legs for reply at exactly 2.45 p.m. I have to conclude the debate, because of the constraint of time, by 2.45 p.m. and thereafter, the hon. Minister will take another 15 minutes. At 3 o'clock, this debate will be over. So, ten minutes are given to each Member.

[Translation]

SHRI HANNAN MOLLAH (Uluberia): Mr. Speaker, Sir, thank you very much. Unfortunately it has almost become a convention in the House that in every session we discuss over either one or two scams, or corruption itself and the hon. Chair is also compelled to grant permission for such discussions. It has become a very serious issue for the policies, morality, economic system and administration of our country. We shall have to collectively think as to how to check this crime which is polluting all aspects of our life and increasing corruption. We shall have to think as to what steps should be taken to combat this menace.

Sir, as I have already told, these fake stamp papers were used in 18 States and 72 cities, including rural areas too. He has himself stated that it was for rupees 60,000 crore. A parallel economy is running in the country which is causing danger to the security of the country and every aspect of development. It is a conspiracy. The Criminals, Politicians, Commission Agents, real estate owners, property insurance agents, Government and police officer and lawyers are involved in it. People from all walks of society are linked with it, nothing is untouched. This crime was continuing since the last many years and damaging the entire system. It is also a matter of concern that this crime could not be detected by our administration or the Government. The reason behind increase in this crime is the shortage of stamp papers. The Government should look into this fact that stamp papers could not be printed as per the requirement. A conspiracy has been hatched that less number of stamp papers have been printed and this business has flourished. How a single

person has started this business. This has become a danger to the National Security Press in Nasik. There may have been connivance with the officials and officers of the press and then it must have been declared that the machine is out of order. If they wished, they could have sold the machine after dismantling it in small parts, or even the iron part of the machine, but instead of doing so, it was rather sold to him. And then he printed stamp papers from the same machine. This business then flourished in the entire India. It is also a matter of concern. Now one can imagine as to what extent our Government machinery, Government Press and offices are linked with it. Some more facts have also been revealed that Ministers sent letters for his protection when a case was registered against him. One more allegation has also been made that big politicians like TDP MLA from Karnataka, Maharashtra politician Anil Gote arrested recently, are also involved in it. It is said that they have very high affiliations. Shri Gote told that they have affiliations with the Chairman of a big party. So, big people are involved in this matter. It is not possible for small criminals to perform such a criminal operation without the backing of anyone. As per the situation now, this issue should be properly investigated, thought over as to who has hatched this conspiracy and which persons along with their areas were involved in this. Many examples as to how the police did not conduct investigation despite dozens of cases getting registered and did not apprehend the criminals were published in the newspapers.

It is very important to bring into light the conspiracy behind this incident hatched at the national level before the common people. As told by him a proper investigation should be conducted into this scam, which has spread in the entire country and has badly affected our economy since the last 10 years and I have a suggestion for this.

First of all it should be properly enquired into. Newspapers have reported that pressure is being put on the SIT constituted for this purpose to continue trial only on those two or four persons apprehended and not to extend the case by involving others and thus to dispose it off immediately. Now it has to be checked as to which people are putting pressure on the SIT for preventing their names from coming into light. It should also be one of the aspects which should be enquired into. Shivraj ji has given many suggestions on this which can be a good base for the enquiry. So a proper enquiry should be conducted in each aspect of this case and as this case involves the entire nation, it should be dealt with strictly.

It will not be possible for a State Government to hold an inquiry and hence the inquiry will have to be

held by a Central agency. If the inquiry is held in one state and separate inquiry is held by every state, then who will do the coordination work. So, it is essential to hold a proper inquiry covering whole country involving any central intelligence agency for exposing the scam.

My second suggestion is that inquiry should be held into the registrations that have already been done on papers which may amount to Rs. 32 thousand crore or seven thousand crore, as the entire records are based on fake registration papers. A decision should also be taken regarding the detecting such registrations and compensating the persons who had to pay for it, if such registrations are cancelled or withdrawn. I have only two or three suggestions to make. It should also be ensured that the Government follow appropriate principles in this regard.

The third point is that the guilty must be severally punished. However, giving punishment will not solve this problem. We should also evolve a foolproof system in coming days. The security system in our printing press should also be made foolproof and there should be checks and balances. All these measures should be taken on the basis of past experiences so that such incident may not occur again in future.

My fourth suggestion is that a thorough inquiry should be held into the misuse of Rs. 60,000 crore in criminal activities. Efforts should also be made to trace and recover that money. A proper security system should be made for all the printing process and secrecy should be maintained about its future programmes. Further, its functioning should be properly regulated.

My suggestion is that an inquiry should be held covering the whole country and it should be ensured that guilty persons are punished and such incidents do not take place in future.

SHRI CHANDRAKANT KHAIRE (Aurangabad, Maharashtra): Mr. Speaker, Sir, I rise to speak on behalf of Shiv Sena on Rs. 32,000 crore Telgi scam. I thank you for giving me an opportunity to speak. This scam flourished for last ten years in 72 towns and 18 states. All the Members have asked the Government as to why this much of time was taken in holding an inquiry in this regard. They should have got a wind of such things earlier, but the Government remained unaware of such things. 177 persons have been arrested in this connection and recently, some more persons have been arrested. I would also like to submit that some prominent politicians and higher officers are yet to be arrested.

Shri Abdul Karim Telgi embezzled revenues worth Rs. 32,000 crore of the country. His lawyer revealed in Bangalore that an amount of Rs. 60,000 crore and not Rs. 32,000 crore is involved in this scam. It means that there has been a loss of revenue of the country to the tune of Rs. 62,000 crore. An inquiry should also be held into his connections with the people who were involved in this scam and the sources to which the money was siphoned. Strict action should be taken in this regard. SIT is holding an inquiry in Mumbai in this regard. The High Court had also asked for such an inquiry by SIT, but the opposition members demanded that the inquiry should be held by CBI.

The officers of Maharashtra Administration thought that since SIT was under them, they could influence its inquiry. However, the High Court have ordered the State administration that the inquiry report of the agency should be directly submitted to the court. Thereafter, it was noticed that, one by one, officers were being arrested. Shri Ranjit Sharma, Commissioner of Police and other police officials have been arrested. Then they said that the inquiry should be held by CBI. When the High Court served notice to the CM, Dy. C.M. asking them as to how would it be possible, they had no answer. The Ministers in Maharashtra Government are worried about the uncertainty in future.

Fake stamp papers worth Rs. 2200 crore have been recovered in Maharashtra. Similarly, fake stamp papers worth Rs. 205 crore have been recovered from Karnataka and worth Rs. 5,000 crore from Uttar Pradesh. Such papers have also been recovered from Delhi. I feel that an inquiry should also be held against the officers involved in this scam.

The question is where were these stamp papers printed? An officer of Government Security Press, Nasik, Shri Ganga Prasad has been working there since 1974. He was not yet been interrogated in this connection, it is matter to be noted. Why old machines were sold? Was the permission of the Central Government sought at the time of selling of old machines? It was not sought. When Home Secretary conducted an inquiry twice in this regard, he had made a mention of old machines. Some Railway personnels had also complained several times that bundles of stamp paper were being transported, but no attention was paid to such complaints.

Mr. Speaker, Sir, it may be possible that Abdul Karim Telgi might be having relations with Dawood Ibrahim and many other persons. Several hon. Members wanted to

[Shri Chandrakant Khaire]

know whether the said amount was meant to be used for terrorist activities. Several newspapers expressed such apprehensions. Hon. Advani ji had also said that there might be a foreign hand in it. Shri Abdul Karim Telgi had established good relations with bureaucracy. He had got a licence in 1994 and it was issued to him by the then Minister of Revenues.

14.00 hrs.

The beginning was made with this licence. Later, several fake licences were made by him and this activity flourished. Thus, it is evident that bureaucracy was also assisting him. The most unfortunate aspect of the entire episode was that some of the Ministers in the Government protected such bureaucrats. I would like to submit that Telgi started his activities in Maharashtra, then he spread it to 18 states including Karnataka, Andhra Pradesh, Tamil Nadu and Delhi. This way, the Government had to suffer a loss of crores of rupees. As per the report of the High Court, SIT is conducting investigation. However, the situation has deteriorated to the extent that the police officers arrested under MACOCA also handed over some letters to the hon. Governor of the State. The contents of these letters are of very serious nature. I do not want to tell everything about it, however I will share something with you in this regard. First, the Dy. C.M. of the States, who is No. 2 ...*(Interruptions)*

MR. SPEAKER: What is number of the Minister?

...*(Interruptions)*

SHRI CHANDRAKANT KHAIRE: The Deputy Chief Minister of the State and his nephew have been charged. ...*(Interruptions)*

[English]

SHRI SHIVRAJ V. PATIL: Do you take the responsibility about this? ...*(Interruptions)*

[Translation]

It is not right to refer someone like this. ...*(Interruptions)*. It is not right for anybody to speak as one wish, without restraint. ...*(Interruptions)*

SHRI CHANDRAKANT KHAIRE: Alright. It is also mentioned in it not how a Minister's nephew maneuvered to save the people. ...*(Interruptions)*

[English]

SHRI SHIVRAJ V. PATIL: This is not correct. ...*(Interruptions)*

[Translation]

SHRI CHANDRAKANT KHAIRE: This letter is so important and it was sent from Erode jail to the hon. Governor and it is mentioned in it that.

[English]

I was suspended on order of DCM because he had promised full protection to Telgi and on the contrary I had caused him a loss of Rs. 830 crore.

[Translation]

The loss of Rs. 830 crore has taken place. ...*(Interruptions)*

MR. SPEAKER: Are you taking the responsibility of this paper?

...*(Interruptions)*

SHRI CHANDRAKANT KHAIRE: That letter was presented everywhere. ...*(Interruptions)*

SHRI SHIVRAJ V. PATIL: If you are criticizing somebody here, some one else can do so against you there. Why are you doing so. ...*(Interruptions)*

SHRI CHANDRAKANT KHAIRE: He was saved by the nephew of a Minister. I can say so atleast. ...*(Interruptions)*

MR. SPEAKER: What can you speak and what cannot should asked from me, why do you ask this from him.

[English]

SHRI CHANDRAKANT KHAIRE: Sorry, Sir,

PSI man who took Telgi to Goa has not been arrested only because he is also DCM's man.

[Translation]

Several such persons were saved by the DCM there and assisted several associates of Telgi. I would like to say that on the basis of the reports of the letter that are

being received, the DCM of that area be immediately suspended and arrested. ...*(Interruptions)* I have to speak for some more time. ...*(Interruptions)*

MR. SPEAKER: I have given 10 minutes each to hon. Members. Hon. Minister has also to reply.

SHRI CHANDRAKANT KHAIRE: His nephew should be arrested immediately and investigation be started into this major scam. A lot of things are written in it. I won't read all what is written in it but would like to say that huge revenue losses have occurred due to this scam. had the employees, officers or the politicians who extended their patronage to Telgi not worked in collusion with him then revenue loses. Worth several crores of rupees could have been averted. Telgi was arrested and kept in a five star hotel. He remained on custody for 85 days. He was also held captive in his house. FIR was not registered against him despite seizure of the false stamp paper worth Rs. 850 crore from Bhivandi. Through you I would like to know a from the Government as to what effort was made by the then DCM and other officers to check the fake currency scam of 350 crore rupees. I would also like to allege that when the efforts were going on to install the Rane-Munde Government into power the entire expenditure of the stay of MLAs in Bangalore was borne by Telgi. This has been reported in the newspaper.

*[English]*

SHRI MADHUSUDAN MISTRY (Sabarkantha): Sir, we object to this. ...*(Interruptions)*

SHRI SHIVRAJ V. PATIL: We have the names of other persons. ...*(Interruptions)* You allege something. ...*(Interruptions)*

*[Translation]*

SHRI CHANDRAKANT KHAIRE: Whether it is right or wrong will be decide by the court. ...*(Interruptions)* After the arrest of Telgi why was he booked late under MOCOA?

*[English]*

SHRI SHIVRAJ V. PATIL: Sir, I am on a point of order. ...*(Interruptions)*

*[Translation]*

MR. SPEAKER: He is on a point of order, Chandrakant ji, please take your seat.

*[English]*

SHRI SHIVRAJ V. PATIL: Sir, hon. Member Shri Kirit Somaiya spoke very responsibly. My friend is also quite capable of speaking responsibly. If he is making any allegation against anybody, he shall have to support his allegations with facts and figures. ...*(Interruptions)* Otherwise, if you are saying that this was reported in the newspapers, it is not allowed. What is reported in the newspapers is not allowed in this House. What you think is correct is allowed. If you think that it is correct and if you take the responsibility, let it go on record. Otherwise it should be removed from the record.

MR. SPEAKER: I agree with Shri Shivraj Patil.

...*(Interruptions)*

*[Translation]*

MR. SPEAKER: Leave it and say something else.

SHRI CHANDRAKANT KHAIRE: It is going on in the entire country and is also being reported in the newspaper everyday. Whatever is being said by me in this regard is not without any basis. All the people are aware about it. ...*(Interruptions)* What is the harm in making it known to the Members here. ...*(Interruptions)* I would like to demand that the Maharashtra Government that provided patronage to Telgi be dismissed. ...*(Interruptions)*

MR. SPEAKER: Your time is over. Now you conclude.

SHRI CHANDRAKANT KHAIRE: All this took place in collusion with the Ministry of Home Affairs. The DCM and the Minister be dismissed ...*(Interruptions)*. Several stamp papers were recovered from the wife and daughter of Telgi but no FIR was registered against them. All the revaluation about the scam are becoming public to all and still the Government of Maharashtra is leaving no stone unturned to protect Telgi. This is not right. ...*(Interruptions)* Had a social worker, Anna Hazare not moved to the Court then Telgi also would have gone unpunished like Afroz Razzak did. Through you, I would like to demand from the hon. Minister that action be taken against all those officers and staff involved in collusion with Telgi and also the politicians who had been found to be hand in glove with Telgi. Through you, I would like to urge upon the hon. Minister and the Government to maintain the legal validity of the agreements that had been made on the fake stamp papers as has been demanded by Shri Kirit Somaiyaji and Shivraj ji.

[English]

SHRI P.H. PANDIAN (Tirunelveli): Mr. Speaker, Sir, thank you very much.

This is a case of inter-State conspiracy. Conspiracy is a running train. There must be a beginning of the conspiracy and an ending of the conspiracy. Who is the mastermind behind this conspiracy? Who is the kingpin behind this conspiracy?

Sir, there was a request from Maharashtra Government for a CBI inquiry; that too they have filed it in the court. Under the Special Police Establishment Act, 1947 there is a provision that if the State Government writes to the Central Government giving consent for CBI inquiry, the Central Government has to do it. It need not go to court. What prompted them to go to the court at this stage? Normally, the jurisdiction of Special Police Establishment was not entertained by the State. It was done to keep the federal structure intact. So, at the time of taking office, the Maharashtra Government would not have given consent. But, for specific cases they can give consent. Why did the Maharashtra Government not give consent for a CBI inquiry immediately under the Special Police Establishment Act? I am talking legally.

In a conspiracy like this, there must be over a 100 people involved. It is because even for printing counterfeit notes 20 to 30 people are involved, which includes goldsmith to mix the colours, and there must be block-makers, there must be printers, there must be financiers, there must be distributors, and many other people also. But, here, in this case I do not see any such number of people. Only the name of Telgi is known to the people. It does not mention about the accessories before the act, the accessories at the time of the act, and the accessories after the act in the commission of this crime.

We should know whether the real perpetrators have been booked and whether they have the real conspirators arrayed as accused. It is a matter of investigation, and the matter is before the court. I have heard the submissions from both the sides. That is why I am also a little reluctant because the case is before the court. Innocent people should not be caught, and innocent people should not be implicated in this. But, in a case like this there must be a through investigation before filing the charge-sheet. Now, at least, in this case the charge-sheet has not been filed, and it is only at the investigation stage. So, let there be a through investigation by the CBI.

The Deputy-Leader has told the House that there is a petition pending in the Supreme court for a CBI inquiry. That is why I said that, if you say that the Central Government is giving the consent, the Supreme Court has no option but to order for a CBI inquiry. If the Central Government goes to the Supreme Court and says that: "We are giving consent" or if the Maharashtra Government says that: "We are asking for consent" and the matter ends there. The court cannot turn down that request. Only in cases where there is a conflict—of ordering a CBI inquiry—between the State Government and the Central Government that the court comes into play.

Now, at least the Maharashtra Government and the Central Government can go to the Supreme Court and say that: "We are asking for a CBI inquiry. Kindly help us to order for a CBI inquiry." The Supreme Court would have no option and the High Court would have no option.

Another point worth mentioning here is that nobody is talking about the solution to remedy a situation like this. There must be a paperless regime, at least in the future so that we need not buy stamps. We will pay money into the State treasury, and we can get our documents registered or perhaps we can affix adhesive stamps on the stamp-papers, etc. We should adopt such measures so that in future such things do not recur. You can suggest that there should be a paperless regime for the registration of such documents.

[Translation]

DR. RAGHUVANSH PRASAD SINGH (Vaishali): Mr. Speaker, Sir, scam after scam are taking place in the country and it is leading to an ambiance of mistrust and suspicion in the country. It seems that we are heading towards a pitch dark future yet a ray of hope is also in sight. The ray of hope is reflected in the nabbing and arrest of some people in this period when scams are taking place unabated. It is a good sign that the guilty are being caught. We heard about the stamp paper scam and initially the amount involved in this scam was around 2000 crore. Later the estimated amount involved was pegged at Rs. 32000 crore and now the estimate is even beyond this figure. It has also been heard that the scam had a network involving 19 states and 85 cities. The Government is not aware as to how many agreements have been made on these fake stamp papers and what has to be done in this regard.

I would like to ask from the hon. Union Minister. Telgi was a fruit and vegetable seller at the Railway Station. He also belonged to an ordinary family like

Harshad Mehtra. Telgi scam is the biggest scam after Harshad Metha scam. Telgi is a resident of Belgaon in Karnataka. He struck a nexus with the officers of India Security Press, Nasik. It was said that the issue be investigated by CBI and this demand was made in context of Gujarat, Andhra Pradesh and Delhi but Karnataka and Maharashtra Government refused to hand over the matter to CBI as they pleaded that the investigation is begin carried out by some other agency. Later on the Government of Maharashtra a greed to conduct investigation by CBI but High Court stated that CBI inquiry is not possible as the matter is *subjudice* in the Supreme Court. We got all this information from the newspapers. Efforts was made to shield the Telgi and his family Members. 60-62 arrests have also been made in this regard.

Today Shri Kirit Somaiya raised this question. An FIR is lodged against the person who commit a crime. It should have been done by us but the ruling party raised it. The Congress Party is the main opposition Party. They should have raised this issue first. If they did not raise it, then we should have raised this issue. This is a very ironical situation. This issue was raised by the ruling party and they stated that there is a scam. Who is responsible for looking into this? Scams take place every day. In whose regime such scams have taken place and why? You might be reading news about such scams in the newspapers. Today brilliant students all over the country are disturbed. Some people have bought the press in which question papers of IAS and IIT Exams were printed and were leaked from that press. Hon. Minister of Finance should make the statement about the steps taken to stop printing of fake currency about which discussion is going on in the country for the last several years? The Government of India are protecting the conspirators instead of taking steps to suppress it. I would like to prove it. I am not going to yield. On Thursday, while terming the stamp paper scam a serious one the hon. Deputy Prime Minister said that the people who are trying to make the country unstable through terrorism from across the border are involved in it. If there is anything wrong in the country, the it is said that it is being done by Pakistan and ISI. The statement of the hon. Home Minister is enough to protect the real conspirators and scamsters. Machines along with designs and inks were purchased and stamp papers were printed. The hon. Home Minister is responsible to see to it as to what is happening in the country but he says that conspirators are coming from outside like cross border terrorism. The conspirator belong to this country, but in order to protect them, it is said that they came from outside. It is not

enough to prove that they are being protected? This country wants to know as to how they came to know about it and how did they investigate. In this way it an attempts were made to suppress the fact. It seems kahin per nighahen, kahin per nishana' The bureaucracy has completely failed in it. Is it not a complete failure of the present system? Who is responsible for this? The hon. Members stated that hon. Chief Minister had written a letter to the hon. Minister of Finance but it was not taken seriously. We have been hearing about this scam for many days. An attempt is being made to create chaos in the country which is a serious matter. There is a need to adopt stringent measures in this regard. There is a lacuna in the procedure of printing of stamp paper. I would like to submit to the Government that there is need to enact a law regarding this. The Government should ponder as to how to change the situation and build confidence among people.

Mr. Speaker, Sir, the villagers do not know whether the stamp papers and documents they purchase are fake or genuine. How will they know about it? It is due to this that there is panic among the villagers. This has create mismanagement and anarchy in the country. It is the responsibility of the Government to ensure systematization of the setup. It is heard that this scam is spread across 19 States of the country but I apprehend it is spread all over the country. Telgi helped persons to get admission in MBA courses on the basis of fake stamp papers. He purchased engineers for Rs. 60 lakhs used them as agents all over the country. There is large scale unemployment in the country. That is why he started selling fake stamp papers. It is a matter of serious concern for the country. Since this Government came to power. There has been scams after scams in the country and the Government want to cover up all these scams and do not want to nab the culprits. A sense of distrust has prevailed among the people due to this. It is the failure of bureaucratic set up. As long as there is no improvement in the system, the outcome will not be positive. I would like to seek a clarification about all these matters from the Hon. Minister of Finance.

[English]

SHRI ANADI SAHU (Berhampur, Orissa): Mr. Speaker, Sir, it is said that a nation's morals are known from its teeth; the more decayed they are, the more it hurts when they are touched. This is what is happening now in this country.

In this country there is decadence in the society as a result of which we are faced with a number of scams

[Shri Anadi Sahu]

whether it is the stock markets scam or the counterfeiting of stamps scam. Fake stamp paper scam is a high return and low investment affair. It is a racket where there is no investment. It started in 1992-93 and spread its tentacles by 1994-95. The tentacles were so strong and so long that it had spread to the whole of the country. Now, after ten years, people in 72 towns and 18 States of this country have some sort of involvement in the counterfeit stamp paper scam.

The nations' morals, as I said, have to be seen to see as to how it has been operating. Not only the stamp papers but there are other things also which have been counterfeited. They are: judicial court fee stamps, non-judicial stamps, revenue stamps, special adhesive stamps, notarial stamps, foreign bills, brokers' notes, insurance policies, share transfers, insurance agency stamps, etc. All the have been counterfeited and channelised as genuine material. This has almost caused a loss of about 32,000 crores or a little more than that to the exchequer. In the last ten years there have been lots of these things and this has been possible because of fraud and corruption. This could not have been possible by a single activity of the mastermind Abdul Karim Telgi. A single person could not have done it without the help and assistance of a number of persons of the bureaucracy, the political class and the lawyers. We have forgotten about lawyers. Lawyers also are involved in this scam.

This type of activity requires first contact. How many people have been contacted and all that.

Second is direct sale. When there is sale, there has to be protection to the people who have been selling and the people have been helping in getting contact. So, third is contact. Fourth is the trouble shooters. They are the most important people.

These are the four categories of people involved in this type of scam. All these had a support of a Wahid, a Yadav, a Gote, a Rasik Kulkarni who is an advocate and many other people like one Das, Pataudi and all those who lived in Delhi;

Sir, this facilitated a wide network of counterfeiting the stamp paper scam. There has to be an umbrella of protection. By acts of omission and commission, the umbrella of protection has been given by the likes of Dalip Panduram Kamath, an ASI who has amassed a hundred crore of rupees; an inspector P.R. Deshmukh; an ACP, Mulani; a DCP, Sawant; and IG, Sridhar Waghal; and a Commissioner of Police, R.S. Sharma.

It is a travesty of history now that a 1968 Batch officer is now the Director of the CBI and a 1968 Batch officer of the IPS is in Jail, that is, R.S. Sharma.

Sir, here, I must praise the action of a Deputy Inspector-General of Police who raised the finger of accusation against his seniors. He was Mr. Subodh Jaiswal who was a DIG of Police. He raised the accusing finger against his seniors of acts of commission and omission.

Unfortunately, Sir, the Government of Maharashtra, abdicated its executive functions and did not take any action against these people, as a result of which the High Court had to step in.

Sir, the executive had abdicated its powers. That is why the High Court had to come in and a special investigation Team was created to look into these aspects.

MR. SPEAKER: Please conclude now.

SHRI ANADI SAHU: Sir, kindly bear with me. I would conclude my speech within four minutes from now.

Sir, a special investigation team was created by the High Court because the executive authority had abdicated its powers. That is to be looked into.

Now, Sir, the mastermind of this scam, Telgi had, by manipulation, ruthlessness, blackmail and salesmanship—he had the salesmanship also—was able to amass lots of money and he could infiltrate into the Security Press at Nasik and to some extent the Security Press at Hyderabad also. We have not taken into account the Hyderabad Security Press. He had made inroads into these places and he, along with his associates, came as a parasite on the society. Now, we are facing difficulties.

Since I am not getting much time, I would only tell five to six points. What is to be done? First is collection and collation of evidence from different States. For that matter, the CBI would be the proper authority for collection and collation of facts.

Second is the connection of Abdul Karim Telgi with the SIMI and the ISI. It has been reported in the newspapers that in Kolkatta, Telgi had come in contact with SIMI people. So, the link between SIMI and the ISI people has to be found out so far as the money which has been siphoned off to different agencies is concerned.

Now, there is a question of money laundering. Where has the money gone? That has to be found out.

Next is, revamping of the Security Press at Nasik. That is most important. That has to be seen as to how auctioning of different parts of Dyes could be made possible by giving it to one individual person by different methods.

Next is changing the legal system so far as the scams are concerned. Unless we change the legal system, these types of scams will keep on coming.

There has to be a foolproof system of transportation because all the papers and stamps had been looted while they were being taken by the Railways. So, the RPF has to come in for escorting of these types of things so that it may not recur.

With these few words, I conclude.

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Mr. Speaker, Sir, I would like to first of all say that this is a debate in which the concern of the country's economy and the future of revenue is in question.

Mr. Speaker, Sir, we know in this country that many scams exposed the high-ups in the administration and politicians; and we took opportunities to score points against one another time and again. But today, I shall refrain myself from doing so, not because we have our Governments in those two States where the Telgi investigation is going on—Karnataka and Maharashtra—but precisely because history is linked for many, many years with the other 16 Governments in other 16 States and 72 towns, which is ruining the economy of the State and the economy of the nation.

Mr. Speaker, Sir, when the whole issue came to limelight, the Congress President, Shrimati Sonia Gandhi issued a statement and I quote:

"The unfolding of the investigation into the fake stamp paper racket in Maharashtra and other States indicates that this has been a criminal operation of almost unprecedented proportion. In order to ensure that such crimes do not happen in future, the investigation should be allowed to take its own course in an unfettered manner. All those involved need to be brought to book. No protection from any quarter should be given to those who are guilty."

We stick to this stand, which is expressed by the Leader of the Opposition, Shrimati Sonia Gandhi.

Mr. Speaker, Sir, today, I should take liberty to first congratulate the Government of Karnataka. The Karnataka

Government first went into the depth of the scam. On 19th August 2000, the Police of the Bangalore City seized fake tamps and other materials and registered a case. Initially it was reported as Rs. 12 crore seizure. The seizures and arrests created sensation; the main accused Abdul Karim Lala Saheb Telgi of Khanapur of Belgaum District of Karnataka, now a permanent resident of Mumbai remained absconding. After a few more arrests, the Bangalore police filed a charge sheet on 14th November 2000 against 20 accused, showing seven persons including Telgi as absconding. On 7th November, 2003, Telgi was arrested by the Bangalore City Police at Ajmer in Rajasthan and was brought to book in Bangalore.

His arrest created further furore and the delay in his arrest generated a controversy. This issue rocked the Legislative Assembly of Karnataka and as a follow up action, the Karnataka Government constituted a Special Investigation Team called STAMPIT under such number, in Bangalore and further arrests and investigations are on.

Shri Pandian said that chargesheets have not been filed. The chargesheet was filed by STAMPIT of Bangalore, related to almost all the cases. This was unearthed first in November 2000.

If I am not wrong, on 20th June 2002, the leader of the Indian Security Press Mazdoor Sangh, Nasik Road, affiliated to Hind Mazdoor Sabha, and not to Congress, Shri S.R. Kulkarni gave a rejoinder to the then Finance Minister's statement on the stamp paper scam.

MR. SPEAKER: There is constraint of time. Please do not quote everything and give just a gist of it.

SHRI PRIYA RANJAN DASMUNSI: All right. While reminding the Finance Minister, he asked him not to allege involvement of their employees, and also to get it inquired by a Parliamentary Committee. He raised a question on how the auction was done.

Sir, I sought your permission and gave a notice to lay on the Table of the House, three very important correspondences, from the Chief Minister of Karnataka to the Deputy Prime Minister, on 22nd November 2003,\* from the Chief Minister of Karnataka to the Finance Minister, on 11th July 2002\*\* and from the Home Minister of Karnataka to the Finance Minister, on 16th April 2003\*\*\*. Since there is constraint of time, I would like those three

\*Placed in Library. See No. LT 8757/2003.

\*\*Placed in Library. See No. LT 8755/2003.

\*\*\*Placed in Library. See No. LT 8756/2003.



[Shri Priya Ranjan Dasmunsi]

correspondences to be laid on the Table of the House, which I have personally authenticated. The present Finance Minister is in possession of those letters; he could see how seriously and sincerely, the Karnataka government single-handedly fought this case and kept the Union of India, informed of this matter for appropriate intervention and also to have new security system, etc.

Therefore, the Government of Karnataka which first unearthed the whole issue deserves the appreciation of all of us in the House, which did the job excellently well before the Maharashtra Police came into the picture.

Mr. Speaker, Sir, I would like to submit to the hon. Finance Minister how is it that our Revenue Intelligence is unaware of this and how is it that our IB is unaware of this? This is not a new thing. It is a very big racket. I propose to the hon. Finance Minister the following four points for his consideration. Will he consider them?

Will he consider amending the Stamp Act in the light of the present scam? Secondly, will he devise a new security device not only in the case of stamp paper printing but also in the case of currency printing? It is because tomorrow the same thing can happen in the case of currency notes also. Who knows what is happening and where? The entire Security Printing Press of India requires a new security device.

He can consult any number of experts he likes. After the attack on the Parliament Complex by the terrorists, hon. Speaker appointed a Committee to provide a new security device which I think is a very good one. Why can he not—after the exposure of this scam—think of consulting Indian and international experts on what additional security devices could there be, for the National Security Printing Presses, wherever they are, whether they are in Hyderabad or in Nasik, to take care of future security.

Thirdly, in the case of currencies, there is a serial number and also series number of the notes. Can he evolve a system of having serial number and series number of all security printing documents like the stamp papers, as on the currency notes? If they do it, the Government would know that X and Y series are given to Bengal and K series is given to Kerala, etc. so that in future, if something happens, the Government could find it out immediately.

My last suggestion is on the auction plan of all materials of the Security Printing Press—be it ink, be it colour, be it equipment, be it machines, etc. There should

be a regulatory system to know what could be auctioned and what could be destroyed within the Press, etc. I understand that the basic thing starts with the usage of equipment and the machines. The whole story began from them. Therefore, I feel that if the Finance Minister could come out on these things boldly on those suggestions, I would be happy.

I want to add one word in response to Shri Chandrakant Khaire. I would like to tell him that nobody is opposed to the CBI inquiry. He praises Shri Anna Hazare and I would like to quote him. He said that SIT is doing a very good job and there is no need for a CBI inquiry. I would like to quote his leader, Shri Bal Thackeray. He said in a TV interview that SIT is doing a good job and there is no need for a CBI inquiry. Now, you are saying like that. If we had to hide it, if we were afraid, we would not had gone to CBI. Then, it went to Bombay High Court. It said that there is no need for a CBI inquiry. Now, the matter is going to the Supreme Court. Even if the CBI does it, who is objecting to it? We are all for it. But the process started from Karnataka and Maharashtra. If those High Courts and the Governments feel that the job is being done well, why do you feel that the CBI alone could do it? You may have faith in CBI and somebody else may not have faith in CBI. So, let the court decide it; let them do it. Let us not politicise the whole investigation.

Let us resolve in this House—be it bureaucracy, be it lawyers, be it Police Commissioner, be it politicians from whichever side they are—that the country should not compromise on anybody in this matter. That should be the resolve. If that resolve is there, I think the Government of India can do a better job in this matter.

MR. SPEAKER: The last speaker is Shrimati Renuka Chowdhury. After that, the hon. Minister will reply.

Shrimati Renuka Chowdhury I am giving you only five minutes.

SHRI PRIYA RANJAN DASMUNSI: Sir, I would like to lay all the correspondences on the Table of the House.

MR. SPEAKER: You can lay duly authenticated correspondences on the Table of the House.

SHRIMATI RENUKA CHOWDHURY (Khammam): Sir, thank you so much for the permission given to me. I wanted to associate myself on this discussion on Telgi issue not so much as to elaborate on what my learned colleagues have said before me. But as a national security

concern, today India must be seized of the matter, that we look at Telgi as the tip of the iceberg for what is happening within the country. As of now, I am sure that there has been no authoritative analysis or understanding of the magnitude of the kind of money that is involved in it. Perhaps, it would even exceed what we would allocate for the national budget.

Sir, this kind of infiltration is not just by the Telgi but by all the security papers. Areas which we need to address are, judicial stamp papers, passports and printing of bank notes. Today, counterfeiting of India's currency is at an all time high, which has not been addressed, understood or even looked into. So, I beg to the Ministers and my colleagues here that they need to be proactive and not wait for another Telgi to happen in a currency and then become reactive to the situation.

I am aware that India is now poised to change her currency notes to include security features so that it secures India. These notes we should be able to detect not just at the border securities but also at police, defence and immigration areas so that hand-handled instruments will be able to detect if the counterfeiting is there or not.

In view of this, if you look back to the history of India's currency printing, there was a time when we had such obsolete technologies, which are still being applied today. A Company, called Portals, which was blacklisted in India, subsequently found favour with us for purchase of their technologies and machines. It is absolutely mysterious, how it was reverted and was accepted and adapted as of today. Simultaneously, if you look at it, Sir, India has become a dumping ground for obsolete features and features rejected by important countries. Even as of now, India purchases here bank note papers, which are actually made of cotton and a fibre, at Rs. 7000, whereas, it is available internationally in several countries for as little as Rs. 500. These kinds of discrepancies and considerations have to be looked into before we take a permanent step of altering our features.

Sir, if you go on to address the issues, you will also see that if we do not have that expertise, which we do not, we have a bunch of transient bureaucrats who are moved about, not allowed to concentrate and ill-informed security personnel who are taking this momentous decision about how much currency and what features will be incorporated. We have to learn to take the lead and follow advanced countries such as America, Japan, European Union and UK itself. Without looking into that, why is India now adapting technologies which are used

by countries such as Taiwan and other nations which have equal porosity of counterfeiting of currency as India does? Sir, if you look at it, the most advanced country employing the security features is Swiss (Franks). It is the counterfeiters' nightmare. No other nation elates security features. They go on adding. ...(*Interruptions*)

I have several other very important points, but because of paucity of time, I am not being allowed to speak. I have one more concern. Pakistan has set up a mill-modernisation, which is going to print the window-thread technology. As you are aware, this window-thread currency is not used in Pakistan. So, we will have to look towards Pakistan to see that we secure here brothers within and without.

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): Mr. Speaker, Sir, I am grateful to the hon. Members. The essence of this discussion is a very serious concern that the hon. Members have. The concerns centre upon the economic security of the country. I accept it. It is exemplified by what has happened in the matter of the stamp paper. Now I must, at the very beginning, say that so far as the stamp paper matter is concerned,—before I come into details—without any doubt whatsoever this is a systemic failure of serious proportion. We have, in the Ministry, examined, as to what has gone wrong and why it happened. But that it is a consequence of a systemic failure, we would be in error if we did not start with that tenet that because of the systemic failure, all these things have taken place.

Here is the twist of the situation. Now we have an Act-Stamp Paper Act—which is of the, in fact, 19th century. It still continues. We have two security presses. One is of the imperial vintage. Nashik press is of 1924 and Hyderabad press is a later vintage of 1982. Now, thereafter the Ministry of Finance has administrative control over the security presses and what is the output of the security presses goes to the State Governments concerned. The State Governments are, of course, entirely free to have their own stamp papers and because of this a situation has been in existence in the country. I do not think it is the most efficient way to deal with the situation but that is the reality.

Now I do wish to go into very briefly the chronology of events of all this because it is very important. I studied this at some length. There is a system in existence and obviously it was a system that had in-built faults and defects whereby the sale of old and used machinery or replacement of used machinery is governed by a certain

[Shri Jaswant Singh]

set of regulations, rules, etc. But obviously there was a systemic failure because I will share with the hon. members as to what happened. On 5th March, 1998, that is before the NDA Government came into office, one machine was disposed of as obsolete. Two machines were disposed of after the NDA Government came into office on the 1st April, that is, within days of coming into office. What I share with the House now is on the basis of very detailed analysis and inquiry that we initiated as soon as I came to learn of all this. I do not wish to judge the issue and I do not wish to condemn anybody as guilty unless proved. I will share those, I think, are guilty. I came to preliminary conclusion that in the disposal of what is termed as obsolete machinery, the care that is necessary in deciding obsolete and in certifying obsolete and there are attendant steps that have to be taken by the officials of the security press itself about destruction of dyes, about ensuring that the ciphers do not go etc., an adequate care was not exercised in the months of March 1998 and April 1998 and these machines were disposed of. This is a fact. It is because had that been done all this would not have taken place. I have attended this debate with all seriousness and that is a serious subject. I can attempt this subject only seriously because we have to find remedies of what has already happened so that it does not happen again.

Sir, then what happened? Between 1998 and 2000, the purchaser of the machines, the accused was the purchaser of the machines, came into play. It is still a matter of investigation as to how he purchased and through whom he purchased and what sort of transactions had taken place. I do not wish to comment on that. Some of these issues are *sub-Judice* and some of them are under investigation. Anything on that I say here would become a statement of the Government of India and so I do not wish to make a statement.

SHRI SOMNATH CHATTERJEE (Bolpur): Were these machines meant only for printing stamp papers?

SHRI JASWANT SINGH: Yes.

SHRI SOMNATH CHATTERJEE: Then the sale was only a scrap. How could it be sold as a machine or an instrument?

SHRI JASWANT SINGH: It is because they are printing stamp papers.

SHRIMATI RENUKA CHOWDHURY: Even currency notes could have been forged.

SHRI JASWANT SINGH: Not so much. When the machines grow old and the dye of the machines wears out, then necessarily the machine has to be replaced. I am not a specialist in printing of stamp papers or currency notes.

SHRI SOMNATH CHATTERJEE: We are not suggesting that you are Telgi's adviser.

SHRI JASWANT SINGH: But I must candidly share what conclusions we came to. Between March and April, 1998 a new Government had just come into office. Those that had acquired these machines take a little time to set up these machines and to acquire personnel. This is all a matter now still of investigation. A number of personnel of the Security Presses, upon retirement, actually live there itself. Why should they not live there? There is no law against them staying there. So, some kind of recruitment took place. Now, this is again a matter of enquiry.

In November, 2000, in the first formal report, about the Production Planning Meet at the Security Press, it was stated that there is some possible forgery in stamp paper. There was, however, no indication then—this could again be cited as a part of the systemic failure—of organised crime or about the involvement of the Security Press officials. In order to improve the features of the stamp papers and to plug the loopholes, the Government then constituted a Working Group on Non-judicial Stamp Paper. The information about forgery in stamp papers came in November, 2000 and the Working Group was set up in February, 2001 to go and see as to what was actually happening and how it could be remedied.

Sir, I got this job at the beginning of July, 2002. The Chief Minister of Kamataka did write to me on the 11th of July. I had then only just newly got the job. He suggested, in his correspondence, that there was some nexus between the Security Press officials in what is now beginning to emerge as an issue of much larger dimension. I simply acknowledged the letter because I had, by then, not sufficient knowledge of what was happening or what actually was the dimension that I was dealing with. In the August of 2002, after investigating internally about what the Chief Minister of Kamataka had stated and because of the complexity of the situation—we do not have the facilities—the Finance Ministry immediately alerted the intelligence agencies. We also got the Home Ministry fully involved in it. I also alerted our other economic intelligence units of the Ministry of Finance, and the surveillance over the Security Press was tightened. The physical security of the Security Press

was also tightened by the introduction of CISF. Here again, you can well ask as to why was CISF not introduced earlier. It is a valid question. It is because I find that things were just shunting along. And CISF was also saying that they are over-stretched and they do not have the manpower.

In December, 2002, I received the report of a Committee of the Ministry of Finance for introduction of new technical features. By December, the correspondence was going on and by March, 2003; I formally wrote to the Chief Ministers including that of Karnataka requesting that the names of the India Security Press officials who were involved could please be shared with the Ministry of Finance so that we could start taking action against them. We had no names uptill then. By February, 2003, I also approved the Technical Report of the Working Group that had been instituted. New stamp papers were being supplied to Andhra Pradesh and it is my commitment that new stamp papers with additional security features will be supplied all over the country by July, 2004. But the Chief Minister of Andhra Pradesh also wrote to me in January saying that this was happening and he wanted additional features. In February, 2003 all the State Revenue Secretaries were alerted and in April, 2003, the Chief Secretaries of Andhra Pradesh, Karnataka, Maharashtra and all the other states were sensitised on the enormity of the issue and were requested to verify the stocks of the stamp papers that they held because the stamp papers produced by the Security Press were handed over to the State Governments in accordance to their requirements. I would like to share with you what the Ministry of Finance did. Simultaneously, we had alerted the Taxation Department. I somewhat hesitate to share this information because I am obliged in the Finance Ministry. Even if a person. ...*(Interruptions)*

[English]

MR. SPEAKER: Mr. Minister, I would like to make an observation now and you may reply after that.

14.57 hrs.

## OBSERVATION BY THE SPEAKER

RE: **Business of the House**

MR. SPEAKER: Hon. Members, you are all aware that the Private Members' Business was to be started at 3 o'clock. But since an important discussion is going on, I have to make a few observations and thereafter, the Minister will complete his reply.

At the meeting of the Business Advisory Committee held today, it was recommended that after the discussion Under Rule 193 regarding Stamp Paper Scam has been disposed of, three Bills, namely, (i) the Merchant Shipping (Amendment) Bill, 2003 (ii) The Indian Medicine Central Council (Amendment) Bill, 2003, and (iii) The Uttar Pradesh Reorganisation (Amendment) Bill, 2003 might be taken up and that Private Members' Business will be taken up after these Bills are disposed of. Half-an-hour discussion may be taken up after the Private Members' Business.

I hope the House agrees.

SEVERAL HON. MEMBERS: Yes.

SHRI P.H. PANDIAN (Tirunelveli): Sir, please allow us to introduce the Private Members' Bill. The debate on the Private Members' Bill may be taken up after his reply. It is because we have made our arrangements accordingly. I have to catch the flight at 4.45 p.m.

MR. SPEAKER: You can go. But business will continue.

SHRI P.H. PANDIAN: Sir, my Bill will lapse. I am present here to introduce my Bill. I may be allowed to introduce the Bill.

MR. SPEAKER: After this reply, you may do it.

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): Sir, I have a statement to make regarding the WTO. ...*(Interruptions)*

MR. SPEAKER: In addition to this, the Minister of Law would also make a statement and I have already permitted him.

15.00 hrs.

## DISCUSSION UNDER RULE 193

**Recent Stamp Paper Scam—contd.**

[English]

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): Before I share with the hon. Members the steps taken by the Income-Tax and the Revenue Departments, I must add a caveat that I am under an obligation that

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even an accused continues to have the right to certain privileges and secrecy. For example, unless they are all proven to be illegal, and as we are in the middle of investigation, I can only share the outline of what we apprehend or suspect. But before I go into all these details, I just have one or two additional points to make.

The gravity of the stamp paper scam etc. really came into sharp contrast after the Karnataka police began to register cases against one Abdul Karim Telgi in the August of 2000. I also wish to share with the hon. Members that in all, about 74 cases have been registered in Karnataka, Maharashtra, Andhra Pradesh, West Bengal, Tamil Nadu, Delhi and Chandigarh. Simply because all kinds of figures have been cited about stamp papers, I wish to share with you the value of what has been seized by the investigative authorities and what the assessment of the Finance Ministry is so that we must end all kinds of other wild speculations in this regard.

The fake stamp papers that have been seized are worth Rs. 3376 crore. This is what we have seized. All other figures that are being cited, I can only term them as speculative unless they are proven as correct. I am holding the responsibility. ...*(Interruptions)* I have the honour to hold that responsibility. I cannot add to the speculative frenzies that might go wrong on this issue.

Of the 74 cases, 15 relate to Abdul Karim Telgi from whose apartment alone stamp papers with a face value of Rs. 3365 crore. were seized. 364 persons were arrested in these cases in all these States. In contrast to what has happened now, in the nine years preceding August, 2000, 50 cases have been registered for fake stamp papers and 135 persons arrested. The face value then of the stamp papers was only Rs. 22 crore. I thought that I must share all this with you. In addition to this, so far as the revenue is concerned, I will shortly come to the steps that we have already taken.

The Revenue authorities have, in addition, filed 9 cases against those that are belonging to the Telgi Group, about himself, members of his family and four of his associates. They have all been centralised under the Chief Commissioner of Income-Tax at Bangalore. ...*(Interruptions)*

SHRIMATI RENUKA CHOWDHURY (Khammam): Is the loss of revenue being computed?

SHRI JASWANT SINGH: About the loss of revenue, I will share the information with you. The loss of revenue is not so much to the Central Government as it is to the

State Government concerned. It is really for the State Governments, hereafter, which are to really investigate in detail the dimension of the fake stamp papers in their States and then share with the Central Government what they assess the loss to be. I have shared the information regarding what has been seized as fake stamp papers. For example, how much of this is the loss to Chandigarh, I am unable to say unless Chandigarh, a Union Territory, shares that information or Delhi shares that information with me.

So, this is a loss to the State Governments, not so much to the Central Exchequer. In addition to that, in a routine way, the department has also attached 46 immovable properties belonging to Shri Abdul Karim Telgi. I do not want to go into the details of these properties. They are spread between Bangalore, Belgaum and Mumbai. We have a certain assessment of their face value. There are a significant number of bank accounts. Here, I have to be careful because even though he is an accused, he still has a right to the banking secrecy that any citizen has, unless he is proven guilty. So, a large number of bank accounts have been sized and the total sum of money that we have found in these bank accounts is disproportionate to the known sources of income that Shri Telgi has.

The investigation by the Directorate-General of Income-Tax is going on. They are coordinating with the authorities concerned, as has been pointed out by Shri Shivraj Patil. We have made them to coordinate with the local authorities and local police. So, to that extent, we are with them.

Sir, before I come to the additional security measures, the induction of CBI became necessary only because of the spread of the virus, if I might put it like that, and because it is in various States, the whole investigation has become too diffused. That is the second attendant legal difficulty, which, as a non-lawyer, I am not able to comment fully upon, but I am informed, perhaps, the Law Minister will be able to tell us better. For example, if this accused Shri Telgi is tried by one court or under one charge in Karnataka, then it will be difficult for us to charge him or try him on the same charge or a similar charge elsewhere and that became the rationale for seeking a centralised investigation so that all those principal accused would then, thereafter, not suffer from the debility of double jeopardy. This is a very serious case and so the Government is mindful of not being trapped in the consequences of double jeopardy. This was the rationale behind this.

The hon. High Court of Mumbai has said that let the SIT continue the investigation. We have been seeking information from the Government of Maharashtra. Like the Government of Karnataka which has shared with us the findings of their SIT, the Government of Maharashtra has, unfortunately, not shared their SIT's findings with us unless they have lately come through. But to my best knowledge, they have not.

SHRI SHIVRAJ V. PATIL (Latur): Mr. Speaker, Sir, I do agree that the principle of double jeopardy may apply if there are two cases filed on one incident and the court is required to give judgement in two cases. If the judgement is given in one case, then the second case becomes redundant. But the investigation by the CBI or the State police can be coordinated in such a fashion that the material required for filing the charge-sheet can be collected, can be used and the charge-sheet can be filed. That is one thing.

The second thing is, the Special Investigation Team has been constituted under the instructions given by the Maharashtra High Court. So, the information is with them and probably that is with the Special Investigation Team. As far as I understand, it is not shared with the State Government and that is why the information is not with you. It can be given to the CBI or any other investigating authority at the disposal of the Central Government.

SHRI P.H. PANDIAN (Tirunelveli): Mr. Speaker, Sir, I want to make a small submission.

MR. SPEAKER: You cannot ask any question now. We are already running short of time. We have to finish a lot of business.

SHRI P.H. PANDIAN: Sir, the question of double jeopardy will not arise if the charge-sheet is filed at the place of conspiracy, where the offence has been firstly conspired. Usually the train starts from one destination to other destination. Conspiracy is a running train. So, in that way, the first destination can be taken. ...(*Interruptions*)

MR. SPEAKER: The hon. Minister need not reply to every question that is being asked because we are really short of time. I want to complete the business as early as possible.

SHRIMATI RENUKA CHOWDHURY: As per the law, they should have informed that there is disproportionate money coming in his bank accounts.

15.11 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

SHRI JASWANT SINGH: I have shared whatever information I have. I do not want to land into the double jeopardy. ...(*Interruptions*) I do not want to land in the double jeopardy sandwiched between two lawyers. ...(*Interruptions*)

SHRI P.H. PANDIAN: There should be one centralised agency for prosecution. You cannot have different agencies for prosecution in different States. One prosecution, one set of accused. ...(*Interruptions*)

SHRI JASWANT SINGH: As long as the Government of Maharashtra is satisfied with what they are doing, we are content.

SHRI SHIVRAJ V. PATIL: Our stand is this. If it has to be done by CBI, let it be done by CBI. If you think or the Court thinks that the Special Team is doing its job properly, let them do it. We have no objection to giving this matter to CBI.

SHRI JASWANT SINGH: That is fine. The Ministry of Finance is not riding any high horse on this subject. I might share with hon. Shri Shivraj Patil a borrowed phrase. I am not interested in the colour of the cat, whether it is a white cat or a black cat, as long as it catches the mice. So, it is a matter of complete indifference to us who investigates, as long as the investigation is shared with us and as long as we are able to punish the guilty as quickly as possible. But the CBI is, at present, investigating seven cases relating to the stamp papers, and they pertain to the States of Uttar Pradesh, Gujarat, Delhi and Andhra Pradesh. In addition, we have, in the Ministry of Finance, given advice to the CBI to investigate and take suitable action against the officials of the India Security Press and also investigate if any member of the Ministry of Finance is involved in any sense in this regard.

I will share the security features in a minute. Now a question came up here. The citizens all over the country—I repeat it categorically—must please rest assured that if they are the innocent victims of having executed any document on a stamp paper that subsequently is found to be not entirely a correct document, their transaction shall not be invalid. We will preserve the validity of that transaction. We are examining all aspects of it legally so that a legal infirmity remains subsequently. If necessary, we will even come to the House with suitable legislative

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measures in this regard. But the citizens must completely be rest assured about it.

Now, what action has been taken in regard to the guilty and what are the additional security details? I do not want to take the names of all the officers concerned. But soon after I came to know, the three officers that dealt with the sale of the machinery were immediately suspended. Actually, I recommended the dismissal of an officer. I do not want to name him because it would not be proper for me. Under certain enabling provisions that I have, as part of the constitution, I share it with anguish with the hon. Members that it is some months since I recommended that officer be suspended. A preliminary investigation revealed that he be suspended. The whole procedure of dismissal is bureaucratically so tangled that I am unable still to obtain his dismissal. It has nothing to do with the Finance Ministry. It has nothing to do with any particular Ministry. It is a kind of security system, security of tenurial system, that I admit frankly, the Civil Service has built against themselves. But if a dismissal is ordered, then it must go through a further approval by the Committee of Secretaries. I have to address this. I am frustrated on this account as this dismissal has not yet taken place. It is unsatisfactory.

A number of officers have been suspended. In addition, I wish to share with hon. Shri Shivraj Patil, who gave some very valuable suggestions about additional security measures, that soon after I came to learn in 2002 itself, I had initiated a whole set of additional measures starting from physical security to scrutiny and surveillance of officers, to guarding, to systems, about security of machinery, about security of Press and integrals of security also.

I hope you will understand that if I do not share all the details of all the additional security measures that have been introduced, it is not because I do not wish to share them with you, but it is because if I divulge all the security measures, then I am, in fact, perhaps unwittingly compromising the very security that we are trying to introduce.

I wish to make one additional point. A number of State Governments have taken steps in this regard. The State Government of Karnataka has ordered certain arrests. I have also ordered some administrative action just yesterday. The Government is determined not simply to get to the roots of this problem, but to find lasting remedy as well.

Sir, a number of hon. Members have raised so many points.

[Translation]

You said then that there are many fake currency notes in circulation.

SHRIMATI RENUKA CHOWDHURY: I too said it.

[English]

SHRI JASWANT SINGH: Hon. Shrimati Renuka Chowdhury has also said. I wish to make an appeal to hon. Members that it is something that I came to assess only after I got this job that all currencies of all countries have a degree of fake currency possibility and fake currency reality. If we keep saying that the denomination of fake currency in India is out of control, we are, in fact, perhaps unwittingly adding to a sense of uncertainty about our own currency.

I would like to assure Shrimati Renuka Chowdhury and hon. Shri Raghuvansh Prasad Singh that this question has to be seriously addressed. Now, I do not want to go into the details as to who has the responsibility of printing currency, who decides on the security measures of it, etc. That too is a part of the whole security apparatus of currency. But we are well aware of the aspect of fake currency. It would be an error to give it a volume or a denomination that does not exist.

This, I say really only because anything that goes from this House or that House has resilience and effect on the country, which has many multiples of what an individual saying might have. It is only for that and not to minimise their concern. I greatly appreciate their concern. We share it and we are, it face, committed to remedy any error or shortcoming that there might be and we will continue to work and we will welcome suggestions that they might have in this regard.

I am very grateful that this opportunity has come our way to discuss this issue. It has been simmering under the surface for too long. I have shared all the facts as candidly as I could and finally, I would say that the Government is determined without fear or favour because of the Oath that I took upon in the name of God. So, it is without fear or favour and we have nobody to favour in this case and nobody to fear.

We do wish to eliminate this virus and to ensure that in future it does not happen. A number of steps are

on the way. We seek the cooperation of the State Governments and assure the State Governments that we will provide them with the fullest possible cooperation.

15.20 hrs.

### MATTERS UNDER RULE 377\*

[English]

MR. DEPUTY-SPEAKER: Item No. 22, Matters under Rule 377. Matters under Rule 377 listed for the day be treated as laid on the Table of the House.

[Translation]

**(i) Need to extend Gonda-Bahraich rail line upto Tikunia Lakhimpur border and release adequate funds for the purpose.**

SHRI PADAM SEN CHOUDHRY (Bahraich): On 7th June 2002, the hon. Minister of Railway had inaugurated the gauge conversion work between Gonda and Bahraich. As a result of gauge conversion daily passengers commuting between Gonda and Bahraich will be benefited. I would like to request the Government that this line should be extended upto Tikunia and Lakhimpur border and for this purpose financial provision should be made in this year only so that problem faced by the passengers on this route are solved. The Government should start trains from Gonda and Lakhimpur to Delhi and to other important places also so that passengers who are to travel to Delhi and other important and distant places may not face inconvenience in future. I hope that the Government would speed up work in this regard.

[English]

**(ii) Need to extend the route of Hirakhand Express upto Jagdalpur in Orissa.**

SHRI ANADI SAHU (Berhampur, Orissa): The Hirakhand Express starts from Bhubaneswar and goes up to Koraput in Orissa. A large number of people avail the train for city for going to Koraput, Jeypore in Orissa and Jagdalpur in Chhattisgarh. Since the train terminates at Koraput, people going to Jeypore and Jagdalpur have to avail bus services. A large number of Orissa and Sirkakulam district of Andhra Pradesh work in Boiladila

mines. Traders from Jagdalpur in Chhattisgarh State and Kotpad in Orissa go frequently to Korapur and Vijayanagaram for purchase and sale of merchandise.

I am to request that the Ministry of Railways may extend the Hirakhand Express up to Jagdalpur.

**(iii) Need for doubling of rail line between Faluknama and Gadwal under South Central Railways.**

SHRI A.P. JITHENDER REDDY (Mahabubnagar): Faluknama-Gadwal railway line is an important and busy railway line in the Hyderabad Division of South Central Railway. Presently, there are 10 pair of passenger trains and 3 pair of bi-weekly trains being run on this track besides a considerable number of goods trains. At times, absence of double line in this section is posing a serious problem putting the single existing line with heavy traffic congestion.

In addition to this, two other railway lines, viz. Gadwal-Raichur and Munirabad-Mahabubnagar are in progress for making this line more busy. As it was not enough, another railway project, Macheral-Mahabubnagar, is also under active consideration for sanction. A heavy traffic congestion and jam are on cards, of the existing single line is continued to be used for any further period.

I urge upon the Hon'ble Minister for Railways to take up construction of double-line work in Faluknama-Gadwal Section at the earliest to ward off the imminent traffic congestion.

**(iv) Need to open a Central School at Shajapur in Madhya Pradesh.**

[Translation]

SHRI THAWAR CHAND GEHLOT (Shajapur): The demanding opening of a Kendriya Vidyalaya in Shajapur, Madhya Pradesh is being made by me and the people for a long time. Shajapur is situated on National Highway No. 3 (Agra-Mumbai route) and a railway station is also situated in this city. The offices of Income Tax and other Central department are also there. The District Administration is ready to provide facilities of land and building etc. to establish a Kendriya Vidyalaya and the Collector, Shajapur has also written a letter to the Kendriya Vidyalaya Sanghathan in this regard. I am also ready to give fifty lakh rupees for this work from my MPLAD fund. I have also written earlier and again demand from the Government to accord sanction of a Central school in Shajapur.

\*Treated as laid on the Table.



- (v) **Need to augment V.T.S. capacity in Sheoni district and introduce mobile services at Murai and Khawasa border of National Highway No. 7 in Madhya Pradesh.**

SHRI RAM NARESH TRIPATHEE (Seoni): Bharat Sanchar Nigam Ltd., has launched Cellular Mobile Service in Seoni district of Madhya Pradesh. The demand of subscribers is not being met as capacity of VTS is inadequate. This machine has a capacity of 1300 connections which is quite inadequate in view of demand in the district. There is a need to double the capacity of VTS. Seoni is on NH-7 which has been converted into North-South Corridor. Kurai on Seoni-Nagpur highway and Khawasa Border have not been provided mobile service so far. I urge the Government of India to augment the capacity of Seoni based VTS machine and provide mobile service in Kurai on NH-7 and Khawasa border at the earliest in public interest.

- (vi) **Need to strengthen the rural banks and grant autonomy to the National Gramin Bank under NABARD.**

SHRI GAJENDRA SINGH RAJUKHEDI (Dhar): Former Prime Minister of India, Late Smt. Indira Gandhi ji had started 14500 branches of 196 rural banks in rural areas to fulfill the Gram Swaraj dream of the father of the nation, Mahatma Gandhi. These rural banks have been providing banking facilities in rural areas in 511 districts in the country. These rural banks alone have held 40% share in providing banking facilities in rural areas. Facilities such as disbursement of loan under all schemes of administrative priority, kisan credit card, self help groups, disbursement of agri-loan and disbursement of salaries and allowances to the employees of Government and Private agencies are being provided solely by these banks. These rural banks alone have 50% share in providing kisan credit card and also in self help groups. Despite limited scope, the number of profit earning banks and the amount of profit has been on the increase every year. Honourable Finance Minister has apprised the House that the rural banks have come out of red now and they would become self-dependent. On the one hand the Government say that these banks have quiet wide scope, whereas on the other hand the Government are contemplating disinvesting its 50% stake. A proposal to this effect has been moved to Indian Banks Association by the Ministry of Finance.

In view of strong base of rural banks in India, I urge the Government of India to strengthen the rural banks and grant full autonomy to National Gramin Bank under NABARD.

- (vii) **Need to take suitable measures to tackle the problem of severe drought in Karnataka.**

SHRI S.D.N.R. WADIYAR (Mysore): The farmers in several districts of Karnataka are passing their days with great hardship as the State has been facing the drought of a severe nature for the last few years. The Central team visiting the drought affected districts are making assessment of the losses and accordingly sanctioning funds to provide them drought relief. But there is a wide variation of the losses sustained by the farmers and actual relief distributed to them. As a result of successive years of drought, the financial condition of the farmer is worsening year after year.

Unless permanent measures like diversification of cropping pattern and additional irrigation facilities along with subsidies on seeds, fertilizers and on the purchasing of agricultural implements are provided, the financial condition of the farmers will continue to be worsened.

I request the Government that the short term lending to the farmers in the drought affected areas in that State may be converted into long term loans and the loan taken by the small and marginal farmers be waived off. Adequate funding should also be made by the Central Government to the farmers to diversify the cropping pattern.

- (viii) **Need to cancel agreement regarding purchase of BALCO shares by Sterlite Industries.**

[Translation]

DR. CHARAN DAS MAHANT (Janjgir): The disinvestment conditions of BALCO, a public sector undertaking, are being violated by Sterlite Industries (India) Limited. Though Sterlite alone was not in a financial position to buy out the Government stake alone, yet it bought 50% stake in BALCO for Rs. 551 crore, Despite lock-in period upto 4th March, 2004. Sterlite is selling the shares at a huge profit to a Mauritius based Twin Star Holdings company. Twin Star has already purchased 55% shares of Sterlite and it has sought the permission of Union Finance Ministry for proposed purchase of left over 20% shares. Thereby, it is apprehended that the management of BALCO will gradually go into the hands of a foreign company indirectly.

I urge the Government to cancel the sale agreement of 51% shares of BALCO to Sterlite and to take it over again and also to investigate the financial irregularities that took place in buying-selling of shares through foreign capital, as Sterlite is about to sell BALCO.

**(ix) Need to revamp and restructure the Regional Rural Banks with NABARD as the apex institution with a major share holding.**

[English]

SHRI P. MOHAN (Madurai): Regional Rural Banks have proved themselves to be an inseparable institution for the rural credit in the last 27 years. So, the retention with the revamping and restructuring of the RRBs is a must.

If the formation of separate National Bank is not found feasible at this juncture, NABARD can be asked to play the role of Apex Bank as major share holder or otherwise. NABARD can very well purchase the share of sponsor banks amounting to Rs. 63 crores and take over the RRBs as their Associate Institution. Additional share capital contribution of RRBs extended by sponsor Banks can be treated as funded liability and can be repaid by RRBs through NABARD in phased manner. Accumulated profit and Reserve fund or Additional Share Capital Deposit extended can easily cleanse the accumulated loss of RRBs by Government of India.

Such amalgamation of RRBs in a State or Zone under single central agency will ensure cross subsidization, entry in central money market to receive loans etc. from different national and international agencies and to take care of entire credit and rural infrastructure. In no case, RRBs can be merged with sponsor Banks and the entire Rural Credit should not be left to the mercy of corporate banker.

**(x) Need to make existing provisions of the law more stringent with a view to check caste based discrimination and atrocities against Dalits.**

DR. MANDA JAGANNATH (Nagar Kurnool): Although untouchability stands abolished under the Constitution of India, but it is still virulent, assuming dangerous proportions. Atrocities against Dalits are on the increase in the country. I quote some latest harrowing instances stating how the Dalits are being treated in this free country even after 56 years of Independence. The upper caste people reportedly thrashed the members of Dalit marriage party with lathis and sticks in the Village of Eklera in Bharatpur district of Rajasthan because the bridegroom was riding a mare. This happened in May 2003. In another instance, the two Scheduled Caste boys of Nuagaon village near Bhubaneshwar were allegedly paraded naked by their employer for demanding clearance

of dues. This was not the end of torture. They were reportedly made to walk on their knees for half-a-kilometer and were made to drink urine when they asked for water. This happened in June 2003. This is not the end. Over 70 Dalits were injured, seven of them seriously, when Members of the Thakur community opened fire on them following a dispute over a piece of land at a village in district Mau, Uttar Pradesh. Recently this demon of castes raised its ugly head in Pyapli of Kurnool district. The Dalits were attacked for taking a procession for immersion of a Ganesh idol.

I urge upon the Government to make the existing stringent and severest in order to put down caste based discrimination and atrocities against the Dalites.

**(xi) Need to change old railway track between Mudkhed and Adliabad and accord priority to gauge conversion work between Mudkhed and Kewat in Maharashtra.**

[Translation]

SHRI SHIVAJI MANE (Hingoli) The work of gauge conversion on railway track between Mudkhed and Adliabad has been completed. Earth filling work and expansion work is going on but as the track is old, it is likely to cause accident at any time. I have also written letters to the Senior Officers of Railways to draw their attention towards this fact. Therefore, there is a need to change the old track immediately. Simultaneously, there is a need to give priority to First Phase of Gauge Conversion work under progress between Mudkhed and Kewat.

I urge the House to expedite above work on priority.

**(xii) Need to allocate adequate funds for early completion of Thanjavur-Tiruvarur-Nagoor rail line gauge conversion work in Tamil Nadu.**

[English]

SHRI A.K.S. VIJAYAN (Nagapattinam): The world famous Thanjavur Big Temple, Veilankanni Church and Nagoore Dargah are located in the districts of Thanjavur, Thiruvarur and Nagapattinam. Throughout the year, a large number of pilgrims cutting across religions, caste and States throng these districts from all over India. In order to facilitate the pilgrims, the people of these districts and my constituency have requested the Railway Ministry again and again for conversion of railway line between Trichy-Thanjavur-Tiruvarur-Nagoor in broad gauge. After many such repeated requests, the then Railway Minister had announced in 1993 in his Railway Budget that a BG

[Shri A.K.S. Vijayan]

line would be laid between Trichy-Thanjavur-Tiruvarur-Nagoor. As such Trichy-Thanjavur line has been converted into BG line. But work in the remaining section *i.e.* Thanjavur-Tiruvarur-Nagoore has not started even after 10 years.

Hence, I request the Government of India, especially the Hon'ble Minister of Railways on behalf of the people of Thanjavur, Tiruvarur and Nagappatinam districts, to allot the necessary funds to execute the project and suitable order may be given to include this project in this years target itself.

**(xiii) Need to allocate additional funds for repair of road connecting Khurda and Bolangir and undertake construction of fly over on National Highway from Khurda to Bhubaneswar.**

DR. PRASANNA KUMAR PATASANI (Bhubaneswar): Due to the flood and continuous rains, the entire road condition of the State is highly precarious and the only connected highway from Khurda to Bolangir via Nayagarh and Dasapalla is heavily damaged. Therefore, I draw the attention of the Minister of Road Transport and Highways to allot more money to start the work immediately. Apart to that, please declare the Khurda-Bolangir State highway as National Highway urgently in the larger interest of the public. This would be the only road which can connect Western and Eastern parts of Orissa.

Hence, I would request the Hon'ble Minister to announce the same to help the local populace. The flyover construction work in the National Highway from Khurda to Bhubaneswar in highly delayed and the other flyovers at Khandagiri, Fire Station Chhak, CPR Chhak and Bani Bihar should be constructed immediately to clear the traffic congestion in the capital city Bhubaneswar. One through pass on the National Highway on Tangi in district Khurda may please be taken up to meet the needs of the local villagers.

**(xiv) Need to expedite construction of Khodashi dam on river Krishna in Karad Tehsil of Satara district, Maharashtra.**

SHRI SHRINIWAS PATIL (Karad): There is utmost need to complete the construction of Khodashi Dam on river Krishna in Karad Tehsil of Satara District in Maharashtra which is lying incomplete from many years. Funds from Accelerated Irrigation Benefit Programme may be made available to complete the construction of this dam which will benefit the farmers along the Banks of river Krishna.

Khodashi dam was constructed by the British Regiment in 1920 on river Krishna. A canal was also constructed up to a length of 20 kms.

Maharashtra Government decided to construct a new dam on the downstream side at a distance of 100m from the existing stone masonry dam. After completion of this new dam, it was proposed to dismantle the old dam.

The construction of this dam was started but was stopped after completion of 50% works.

At present, the river bed is completely filled by silt and the capacity of the dam is reduced to 50% which is not benefiting the farmers.

In view of the hardships faced by the farmer, the intervention of the Central Government to complete the remaining portion of the dam through AIBP is of utmost need.

**(xv) Need to implement the Supreme Court's orders on transferring the land of closed industries to D.D.A.**

SHRI BHAN SINGH BHAURA (Bhatinda): In its order dated 10.05.1996, the Hon'ble Supreme Court ordered in a writ petition that hazardous and noxious industries be closed down. It further ordered that 57% of 68% of land of those industries should be surrendered to DDA. But none of the industrial units complied with the order nor the DDA did take any step.

Further the Hon'ble Supreme Court in its order dated 28.04.2000 again made DDA duty bound to take in its possession the lands from different industries closed down including big mills like Swatantra Bharat Mills, Birala Mills, etc. Even on 01.03.2001, the Hon'ble Supreme Court further passed order regarding the surrender of land by the industries or taking over of land by the DDA.

In spite of aforesaid various orders by the Hon'ble Supreme Court not an inch of land was transferred to DDA by the industries nor the DDA took any action regarding taking over land. In the meantime various industries started selling of those lands to third parties, particularly to NRI based parties instead of surrendering the lands to DDA. The private parties, in many places, allowed Delhi Metro Railway to acquire these lands for heavy compensation, thus reaping huge profits.

Therefore, in view of the above mentioned facts, it can be easily said that a big scam is involved in the

'whole process, and I demand from the Government that an appropriate enquiry is conducted into the whole situation and the truth be brought to light.

[English]

15.22 hrs.

## STATEMENT BY MINISTER\*

### Fifth Ministerial Conference of WTO Held at Cancun, Mexico

MR. DEPUTY-SPEAKER: Item No. 19, Statement by Shri Arun Jaitley.

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): Mr. Deputy Speaker, Sir, I rise to make a statement on the proceedings of the Fifth Ministerial Conference of the WTO held at Cancun, Mexico during 10-14 September, 2003. A copy of the Ministerial Statement is being placed on the Table of the House.

The Cancun Ministerial Conference was due to take stock of the progress in the negotiations under the Work Programme launched by the Doha Declaration and to provide guidance to the negotiators on the key areas such as agriculture, tariff negotiations for non-agricultural production, special and differential treatment and implementation issues. The Conference also had to decide on whether or not to launch negotiations on Singapore Issues based on modalities agreed to by 'explicit consensus'.

In preparation for the Conference, the Government held wide-ranging consultations with all major stake holders and had accordingly formulated its negotiating strategy. This strategy was based on an appreciation of our trade interests, development concerns and gains to be made by improving the multilateral trading system. We went to Cancun with a positive frame of mind with a desire to engage proactively in the negotiations for a fruitful outcome.

The Conference, which concluded at Cancun on 14 September 2003, could not reach a decision covering all areas. An important reason for the lack of decision at

Cancun was the inability of the proposals on the table to forge a consensus by taking into account the concerns of all Members on many contentious issues. The Conference ended with a Ministerial Statement which recognised that more work needed to be done in key areas to enable WTO countries to proceed towards the conclusion of negotiations under the Doha mandate.

The developments at Cancun have been a disappointment for us. We are interested in having a healthy, effective multilateral trading system which would provide the institutional backdrop for a process of economic development that would benefit all countries. The overriding priority and consideration for a developing country like India in any trading arrangement is the implication of such an arrangement for its economic development. This focus on development determines our position on any trade rules and proposals at the WTO. Our goal at Cancun on major issues was guided by national interest.

In agriculture, our desire was to ensure that agriculture markets across the world are freed from the substantial distortions that are caused by large scale subsidisation. These distortions prevent agriculture from fulfilling its potential of being an engine of growth. Income inequalities caused so far by such distortions continue. It is essential in the interests of equity, justice and fair play that the distortions in agriculture are gradually eliminated. Therefore, agricultural market access in developing countries has to be sequenced appropriately with reductions in market distortions elsewhere. At the same time, we wish to protect the interest of the millions of subsistence level farmers who depend on agriculture as their sole means of sustenance. Therefore, there has to be a calibrated approach to market access *vis-a-vis* reduction distortions in agriculture with a transition period in which affected farmers are shielded through the use of special safeguard mechanisms and the protection for special products. In view of this, expecting us to make onerous market access commitments, inconsistent with the reality in agriculture, was unreasonable. The draft modalities on agriculture proposed at Cancun, on the other hand, did not take into account these concerns fully and would in all probability, have perpetuated distortions. We had no choice but to oppose these modalities.

On tariff negotiations in non-agricultural production, significant convergence in negotiating positions could be realised by taking on board the concerns of all Members.

\*Also placed in Library. See No. L.T. 8647/2003.

[Shri Arun Jaitley]

On Singapore Issues, one has to address the question of multilateral rule making taking primacy over economic development goals, particularly in areas where the interplay between these new issues and development is unknown. The Ministerial Conference had to take a decision on modalities for all Singapore Issues. However, this was to be by explicit consensus. Discussions clearly revealed that not only was this consensus absent, but that most developing countries felt that the clarification process on these issues had not run its full course. In the absence of clarity on many elements, a majority of the membership of the WTO had rejected launch of negotiations on these issues and sought continuation of the clarification process.

There were concerns that a framework on Investment would constrain the policy space for developing countries in utilizing FDI for their development goals. There was no certainty that such a framework would lead to larger FDI flows nor was any need for a framework demonstrated. On Competition Policy, the issue of encroaching upon the freedom of competition authorities was quite disquieting. The benefit of a framework on Transparency in Government Procurement was also not clear. In spite of this, proposals tabled suggested the launch of negotiations in some areas. In the absence of explicit consensus, launching negotiations was however, an impossibility.

India was also disappointed that no time frame was prescribed for resolving outstanding implementation issues. These issues highlighted the imbalances arising out of the Uruguay Round agreement and need to be addressed on a priority basis so that imbalances brought in by the Uruguay round are redressed. On special and Differential Treatment Issues, India felt that adequate urgency was not being shown in addressing these issues.

An important outcome from our viewpoint is the engagement of developing countries in the negotiating process. Unlike in the past, when they were blamed for non-participation, the degree of participation of a large group of developing countries is a welcome development. Not only have developing countries become participants in the process but have also shown adequate flexibility to reach out to other fellow countries to form alliances which have been formed during and after the conference. The G-20 on Agriculture and the G-16 on Singapore

Issues embody the desire of developing countries to generate common positions on these issues.

The Ministerial Conference concluded with a Ministerial Statement which recognised that more work needed to be done in some key areas to enable WTO Member countries to proceed towards the conclusion of negotiations under the Doha mandate. The Ministerial Statement has instructed officials to continue working on outstanding issues with a renewed sense of urgency and purpose and taking fully into account all the views expressed in the Ministerial Conference. The Chairman of the General Council of the WTO, working in close coordination with the Director General, has been asked to coordinate this work and to convene a meeting of the General Council at senior officials level not later than 15th December 2003 to enable successful and timely conclusion of the negotiations. Subsequently, the General Council has met at Geneva on 15th December, 2003 and decided that negotiating groups will start working on their respective areas in January, 2004.

As hon. Members would appreciate, trade negotiations are a protracted process. We have been engaging constructively in the negotiations and are optimistic that despite the lack of progress at the Cancun Ministerial Conference, it would be possible to move forward in the weeks to come. Agriculture has been at the core of the negotiations. Our sensitivities on Singapore Issues also need to be understood. We are also committed to ensuring that 'development' lies at the core of the Doha agenda, as mandated by the Doha Ministerial Conference of the WTO.

For India, the multilateral process is an extremely important one. We believe that a rule based trading system provides a fair, transparent, predictable, secure and durable environment for trade relations between nations. We have been demanding that the system be fair—fair to our development goals, to our economic needs, to our economic and social reality and to our aspirations. The multilateral system continues to enjoy our support and we are participating in the process of further negotiations in Geneva. We are willing to work together and engage in a process of give and take so that mutually acceptable outcomes could be reached. Movement forward demands understanding and accommodation. Our only desire is that the discussions be carried forward in a more understanding and sensitive manner so that trade liberalization does actually deliver the fruit of development.

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15.30 hrs.

## INDIAN TELEGRAPH (AMENDMENT) BILL, 2003\*

### Introduction

[English]

MR. DEPUTY-SPEAKER: Hon. Members, before I call Shri Arun Shourie, the Minister of Communications and Information Technology, to seek leave of the House to introduce the Indian Telegraph (Amendment No. 2) Bill, 2003, I have to inform the House that the hon. Speaker has received a letter dated 19th December, 2003 from Shri Arun Shourie intimating that the President, having been informed of the subject matter of the Bill, has recommended the introduction and consideration of the Bill under clause (1) and (3) article 117 of the Constitution.

Now, Shri Arun Shourie.

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Telegraph Act, 1885.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Telegraph Act, 1885."

*The motion was adopted.*

SHRI ARUN SHOURIE: I introduce\*\* the Bill.

15.32 hrs.

## STATEMENT RE: INDIAN TELEGRAPH (AMENDMENT) ORDINANCE, 2003\*—Laid

[English]

MR. DEPUTY-SPEAKER: Now, the hon. Minister shall lay on the Table an explanatory statement.

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): Sir, I would like to mention that one important change that was suggested was that the word 'repeal' has to be replaced by the word 'replace'.

\*Published in the Gazette of India, Extraordinary, Part-II, Section-2, dated 19.12.2003.

\*\*Introduced with the recommendation of the President.

Now, I would give you the brief history. One statement is being circulated in English and Hindi.

The Bill to amend the Indian Telegraph Act, 1885 was introduced in the Lok Sabha on the 4th August, 2003 for establishment of Universal Service Obligation Fund retrospectively with effect from the 1st April, 2002 to meet the Universal Service Obligation. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Mr. Minister, if the statement is lengthy, you can lay it on the Table.

SHRI ARUN SHOURIE: Sir, I beg to lay on the Table an explanatory statement Hindi and (English versions) showing reasons for immediate legislation by the Indian Telegraph (Amendment) Ordinance, 2003 (No. 7 of 2003).

15.33 hrs.

## MERCHANT SHIPPING (AMENDMENT) BILL, 2003—Contd.

[English]

MR. DEPUTY-SPEAKER: Now, the House will continue further discussion on the Bill for consideration—Merchant Shipping (Amendment) Bill. Shri Madhusudan Mistry was on his legs. He can take two more minutes. After that, the hon. Minister would give a short reply so that we can take up two or three more small Bills.

SHRI MADHUSUDAN MISTRY (Sabarkantha): Thank you, Sir. ...*(Interruptions)*

SHRI P.H. PANDIAN (Tirunelveli): Mr. Deputy-Speaker, Sir, I seek your indulgence for one minute. I have to introduce the bill at item No. 39. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Shri Pandian, the Private Members' Business would be taken up later.

SHRI P.H. PANDIAN: Sir, this is introduction of a Bill and would take only one minute.

MR. DEPUTY-SPEAKER: It is not a question of one minute but it is a question of procedural difficulty. We have taken up another item of business now.

...*(Interruptions)*

SHRI MADHUSUDAN MISTRY: Sir, we left this debate at the fag end of yesterday and I would not be taking much time of the House. In fact, I want to make a very few points very shortly.

As I said yesterday, I join my friends in expressing my concern in bringing this Bill so late even after

[Shri Madhusudann Mistry]

recognising the International Maritime Organisation's conventions.

Now, it looks mandatory for all the ships and oil tankers to take permission and certification from the Government of India when they sail out of the Indian coast. What I am concerned much is about the whole Indian sea coast and especially the coast in Gujarat. We have the largest coastline in the country compared with other States. In the case of ships coming in for ship-breaking, we do not have any mechanism whereby we can check the entry of toxic materials like asbestos, lead, etc. So, how does the Government propose to save the coast of Gujarat from pollutants and hazardous material to which not only the labourers but also the people living in nearby areas become victims?

Recently, the Supreme Court has passed a judgement. I would like to know whether the direction that the Supreme Court has issued to the Union and State Governments has been taken into consideration. I would like to know whether a certificate would have to be obtained when a ship is being purchased.

The other thing is that I would like to draw his attention about the plight of the seamen. As I was looking at the Budget of the Shipping Department, a sum of only Rs. 14 lakhs has been provided for the Seamen's Welfare Fund. There are two officers who will be, in fact, transferred and absorbed in some other departments. It is only in Chennai that they have these officers.

Thirdly, I would like to draw his attention about the Shipping Corporation of India as well as the Internal Waterways Authority, which, in fact, has to develop various other ports, especially in Gujarat where there are big rivers like Narmada, Tapti, Mahi, etc. Ahmedabad can be developed as a seacoast. Two hundred years before, Cambay was one of the shinning seacoasts. Why is the drudging not taking place and why had the Waterways Authority not been developed?

From Goga to Surat is a four hours' journey by sea route, but if you go to Surat on a land route, it will take almost six to eight hours. So is from Mumbai to Dwarka, Dwarka to Cochin and Cochin to Mangalore. Why is the Department not developing these routes? This remains quite a mystery. But, nevertheless, I support the Bill and I just want to draw his attention to please stop from polluting the Gujarat seacoast and damaging the mangroves on the sea cost.

With these few words, I conclude.

MR. DEPUTY-SPEAKER: Now, hon. Minister's short and sweet reply.

...(Interruptions)

THE MINISTER OF SHIPPING (SHRI SHATRUGHAN SINHA): Mr. Deputy Speaker, Sir, since I have been asked to be very brief, to make my speech very short, I will do one thing. Through you, I will convey my deep sense of appreciation and gratitude to this august House in general and to Shri Ramesh Chennithala, Shri Madhusudan Mistry, Shri Sudarsana Natchiappan, Shri Varkala Radhakrishnan, Shri Simranjit Singh Mann, Dr. Raghuvansh Prasad Singh, who are not present in the House, Shri Anadi Sahu, Shri P.S. Gadhavi and, of course, to Shri Madhusudan Mistry in particular for their constructive suggestions blessings and support to the Bill. But before I beg to move for. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: for consideration....

...*(Interruptions)*

SHRI SHATRUGHAN SINHA: Sir, I am new to this. At least, I am being honest. ...*(Interruptions)* This is my maiden Bill which I am moving in this House. I am so glad that the entire House loves me, and so do I.

Now, I request the House to pass the Bill.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill further to amend the Merchant Shipping Act, 1958, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: Now, the House will take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 6 stand part of the Bill.

*The motion was adopted.*

*Clauses 2 to 6 were added to the Bill.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

MR. DEPUTY-SPEAKER: Now, the Minister may move that the Bill be passed.

SHRI SHATRUGHAN SINHA: Sir, I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

15.40 hrs.

[English]

**STATUTORY RESOLUTION RE: DISAPPROVAL  
 OF INDIAN MEDICINE CENTRAL COUNCIL  
 (AMENDMENT) ORDINANCE, 2003  
 AND  
 INDIAN MEDICINE CENTRAL COUNCIL  
 (AMENDMENT) BILL, 2003**

MR. DEPUTY-SPEAKER: We will now take up item nos. 24 and 25 together. Shri Priya Ranjan Dasmunsi to move the Statutory Resolution.

SHRI PRIYA RANJAN DASMUNSI (Raiganj): Sir, I beg to move:

"That this House disapproves of the Indian Medicine Central Council (Amendment) Ordinance, 2003 (No. 8 of 2003) promulgated by the President on 7 November, 2003."

SHRI P.H. PANDIAN (Tirunelveli): Sir, what about the Private Members' Business? Please allow me. It is only a formality. *...(Interruptions)*

MR. DEPUTY-SPEAKER: After these two-three items, I will allow you.

SHRI P.H. PANDIAN: Sir, by then nobody will be here.

MR. DEPUTY-SPEAKER: Everybody will be here.

SHRI P.H. PANDIAN: Sir, you allow us. *...(Interruptions)*

MR. DEPUTY-SPEAKER: Hon. Speaker, has also sought the consent of the House.

*...(Interruptions)*

SHRI P.H. PANDIAN: I have obtained hon. Speaker's leave to move for leave to introduce my Bill after the discussion under Rule 193. This will take only one minute. It is not a question of formality. *...(Interruptions)* All the private members have gone. I have to go. If we do not transact the private members' Business, what is the use of waiting here? *...(Interruptions)* I told the hon. Speaker about my inconvenience.

MR. DEPUTY-SPEAKER: I am not objecting.

SHRI P.H. PANDIAN: Sir, we have scheduled our trips based on this. Suddenly you have said that the Private Member's Business will be taken up later.

MR. DEPUTY-SPEAKER: It is not suddenly. Hon. Speaker, in his wisdom, has already sought the consent of the House.

*...(Interruptions)*

SHRI P.H. PANDIAN: Sir, I could have moved it by this time. I obtained hon. Speaker's leave. *...(Interruptions)* I obtained hon. Speaker's permission. Kindly allow me.

MR. DEPUTY-SPEAKER: Shri Pandian, my difficulty is, according to the procedure when we come to the Private Members' Business, I will allow you.

SHRI P.H. PANDIAN: This Bill can be taken up subsequent to that. We will take only five minutes. *...(Interruptions)*

SHRI RAMESH CHENNITHALA (Mavelikara): Sir, it should have been done little earlier. We are also here for the Private members' Business. Every time the time for this business is changing. What is happening in this House? We have also to go somewhere. From 3.30 p.m. we are here to introduce the Bill. All of a sudden you are changing it. *...(Interruptions)*

SHRI P.H. PANDIAN: Kindly allow us.

MR. DEPUTY-SPEAKER: It is not all of a sudden. In the Business Advisory Committee also they have decided. That was also read out here in the House.

SHRI RAMESH CHENNITHALA: It is Private Members' time. We have all the right to raise this issue. *...(Interruptions)*

MR. DEPUTY-SPEAKER: In the Business Advisory Committee this decision was taken and the hon. Speaker has also sought the consent of the House.

SHRI P.H. PANDIAN: Myself and Shri Ramesh Chennithala are here to move for have to introduce our Bills.

SHRI RAMESH CHENNITHALA: I am also sitting here in the House for it. *...(Interruptions)*



SHRI P.H. PANDIAN: Sir, you permit us to move them. We two are here to move the Bills. We will finish our business very soon. ...*(Interruptions)* All the Members have gone out because they have finished their business. We are here to transact the business. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Shri Pandian when we cross the bridge, then only I will allow you. We are coming to it yet.

SHRI P.H. PANDIAN: Sir, do you want me to dash off to the airport? You allow me to go coolly. ...*(Interruptions)* Otherwise, I have to dash off to the airport.

MR. DEPUTY-SPEAKER: Shri Pandian, it will not lapse.

SHRI P.H. PANDIAN: Suppose the House dissolves, then what? I am not particular otherwise. It will lapse if the House is dissolved. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: I do not think the House will be dissolved like that.

THE MINISTER OF HEALTH AND FAMILY WELFARE AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRIMATI SUSHMA SWARAJ): It will not be dissolved. ...*(Interruptions)*

SHRI P.H. PANDIAN: That is why I am asking for it. All these days, I have been obeying you. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: By this time we could have passed these two Bills.

*[Translation]*

SHRIMATI SUSHMA SWARAJ: Mr. Deputy Speaker, Sir, beg to move-

"That the Bill further to amend the Indian Medicine Central Council Act 1970, as passed by Rajya Sabha, be taken into consideration."

*[English]*

SHRI PRIYA RANJAN DASMUNSI: Sir, I do not like to take much time on the disapproval matters. I only strongly feel that the Government could have avoided straightway bringing an Ordinance. The Ordinance route should only be applied in extreme urgency cases. The explanatory note provided by the Government is not at

all convincing. This Bill should have been brought through the normal route. I only wish that the Government should try to practice that in future and avoid this course of things. It is like misusing the powers of the Constitution and wrongly advising the President. ...*(Interruptions)* Because these things can be done in the normal, routine manner by introducing a Bill in the House. That is what my contention is. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Motions moved:

"That this House disapproved of the Indian Medicine Central Council (Amendment) Ordinance, 2003 (No. 8 of 2003) promulgated by the President on 7 November, 2003."

"That the Bill further to amend the Indian Medicine Central Council Act, 1970, as passed by Rajya Sabha, be taken into consideration."

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, I have to make a word of submission.

SHRIMATI SUSHMA SWARAJ: He is also one of them who gave notice for the Statutory Resolution.

SHRI VARKALA RADHAKRISHNAN: I understand that the Law Department did not give its advice in this matter. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: When Shri Dasmunsi is here, you have no right to speak on it.

SHRI VARKALA RADHAKRISHNAN: I have given notice.

MR. DEPUTY-SPEAKER: You have given it, but Shri Dasmunsi is here. He has moved the Statutory Resolution.

SHRI VARKALA RADHAKRISHNAN: I have to add one sentence only and I may be permitted. It is a legal question. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: After the hon. Minister speaks one or two sentences, then you can speak. That is the procedure. You know it.

SHRI VARKALA RADHAKRISHNAN: I may be permitted to put a simple question for the hon. Minister to answer, That is all I want and nothing else. I am not speaking elaborately.

MR. DEPUTY-SPEAKER: Shri Radhakrishnan, unnecessarily you are wasting the time of the House.

The Statutory Resolution is introduced by Shri Dasmunsi. The hon. Minister has moved the motion for consideration of the Bill.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: You can allow me.

MR. DEPUTY-SPEAKER: The hon. Minister has to speak a word or two and then only you will get a chance. That is the procedure.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: On a point of law I can speak. ...(Interruptions)

MR DEPUTY-SPEAKER: All right; I will allow you. You please put your question.

SHRI VARKALA RADHAKRISHNAN: Sir, the question is that they want to change the words 'medical institution' with the words 'medical college'. This Bill was discussed in the House with the knowledge of the Law Department. They have agreed to it.

Was the Law Department sleeping at that time? Now, all of a sudden they have woken up to the fact that the words 'medical institution' will not be sufficient and that the words 'medical college' should be specified. What were they doing then? For the purpose of making a correction of a word, the constitutional provision is being misused. The Constitutional provision regarding issuing an Ordinance under article 123 is used for the simple purpose of making a correction in the word. Can this be allowed? It is only a simple word, and it is because of the inefficiency of the Law Department. ...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI: Sir, he is citing the inefficiency of the Law Minister. Therefore, he is demanding that the Prime Minister should drop the Law Minister.

SHRI VARKALA RADHAKRISHNAN: Sir, it is a simple word that they want to amend and for that they have resorted to article 123.

MR. DEPUTY-SPEAKER: Shri Radhakrishnan, you have already asked the question. Now, let here give the reply.

SHRI VARKALA RADHAKRISHNAN: Now, I can understand if the Supreme Court gives a judgement in

this matter, and as a result of that the Government is giving second thought of bringing an Ordinance. But, in this case, the Law Department themselves have advised. Were they sleeping at that time? All of a sudden they have come to the conclusion that a simple word has to be changed, and for that purpose they are misusing the extra-ordinary provisions of issuing an Ordinance. It is unheard of. ...(Interruptions)

MR. DEPUTY-SPEAKER: Shri Radhakrishnan, please. I do not want to say anything to you.

SHRI VARKALA RADHAKRISHNAN: Anything can be done.

MR. DEPUTY-SPEAKER: No. It is not that anything can be done.

SHRI VARKALA RADHAKRISHNAN: For correcting a word, an Ordinance is being brought. ...(Interruptions)

MR. DEPUTY-SPEAKER: Please conclude now.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: An ordinance is being issued for correcting a word! It is very ridiculous.

MR. DEPUTY-SPEAKER: I think that you are now trying to.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: Is this the Parliament? It is very ridiculous for me to be here. ...(Interruptions) They are using a Constitutional provision for issuing an Ordinance. ...(Interruptions)

MR. DEPUTY-SPEAKER: It is the very purpose for which this Bill has been brought.

[Translation]

SHRIMATI SUSHMA SWARAJ: Mr. Deputy-Speaker, Sir, as there is shortage of time, I would not like to make an extensive background for this Bill and would answer hon. Member's question in short. As put by Radhakrishnan ji, and even Dasmunsi ji has not made any objections on the content of the Bill rather he said that it was introduced through an ordinance. Had Radha Krishnan ji listened to my first sentence, there would have been no need for him to say so. It is a small amendment made in order to rectify a small error. Radhakrishnan ji said—

[Smt. Sushma Swaraj]

[English]

"The Law Ministry was sleeping. Why did they not get up at that time or why did they not point it out at that time?"

[Translation]

Sir, even very capable draftsmen commit mistakes sometimes. This is not misuse of clause 123. ...*(Interruptions)*

[English]

SHRI VARKALA RADHAKRISHNAN: But, the mistake is being corrected with an Ordinance. ...*(Interruptions)*

[Translation]

SHRIMATI SUSHMA SWARAJ: I am telling him the same thing. Article 123 is there to be applied when required. This is a small amendment that too not in the MCI Act, but in the IMCC Act. He has himself said that the word 'medical institution' was written at the time when both the Houses passed the Bill. And when we referred to the Department of Law for rules formation, they said that only those institutions are covered within the definition of 'Medical Institutions' which grant degree or diploma and that is why medical colleges are not covered under this category and therefore, word 'Medical college' should be inserted too. Now the question is that why did we bring amendment, we had 123 pending applications-70 applications for opening of new colleges are lying pending. They were repeatedly threatening us that they would suit which would have led to unnecessary litigation. Just a small word was to be changed, had it been changed, we could have processed those applications, otherwise we had to wait unnecessarily. And this we introduced ordinance as people were feeling harassed due to the delay.

Sir, there is no big amendment in the Bill, there are just two amendments to be made-first is that there is insertion of the word 'Medical college' and secondly that three years time period is being given to the present colleges so that they could attain the same standards. It is a small amendment. The Ministry of Law has given its concurrence to it and the Rajya Sabha has passed it. I present the same Bill before the hon. Members of the House so that it could be passed.

[English]

SHRI HANNAN MOLLAH (Uluberia): Sir, it is a very simple Bill and there is nothing to oppose in this amendment. I support this amendment.

I would like to put only one question to the hon. Minister. As you know, recently, publicity was given in the Indian medical journals that allopathic doctors cannot prescribe ayurvedic medicines and, if it is done, they will be punished. Now, all over the word, this integrated system of ayurveda is being used more and more by other streams. There is some confusion on that. Has the Minister got any opinion on that because that will clarify the things to the practitioners? Secondly, applications for setting up two medical colleges, that is, SSK Medical Hospital and Midnapore Medical College, in West Bengal are pending for approval with the Medical Council. I would request the hon. Minister to consider the matter so that the approval for setting up two medical colleges in West Bengal is given at the earliest.

SHRI RAMESH CHENNITHALA (Mavelikara): Sir, I welcome this piece of legislation. This is primarily for checking the mushrooming growth of substandard colleges, which is one of the serious problems.

Ayurveda is one of the ancient systems of medicine, which is practised in all the nooks and corners of the country. This is very much a part of our culture and heritage. Even *Puranas* and epics lauded the effectiveness of the ayurveda system. I am coming from a State where ayurveda system of medicine is very popular and practised in a big way. Ayurveda is a curative therapy and *Panchakarma* is a cleansing therapy using five varieties of herbs. Both these practices are very well developed in the State of Kerala.

Now-a-days, *Panchakarma* and ayurveda therapies, to a large extent, are being misused in various parts of the country. I express very serious concern on this very basic issue. I think, the hon. Minister of Health will take this aspect very seriously. Almost all over the country, in big 5-Star and 3-Star hotels, we can see boards displaying that *Panchakarma* treatment is available there; ayurveda treatment and massage centres are available there. This is a kind of vulgarity of a kind of misuse and abuse of the ayurveda system of medicines. There are a lot of complaints coming up from various quarters regarding this.

Actually, a person can become an ayurveda doctor only after five-and-a-half years' study; that course has to

be completed. Now-a-days, we can see that people having three months training are opening these kinds of institutions in various parts of the country.

My request to the hon. Minister is that the Government should come forward to check these kinds of institutions and practices along with the checking of mushrooming institutions.

As per this Bill, the institutions will be converted into medical colleges. In these colleges, the pharmacology subject should be there; there should be a herbal garden in this. Nobody should be allowed to start any ayurveda college anywhere in the country, if they do not teach pharmacology and if there is no herbal garden. The knowledge relating to the preparation of medicines is a very important thing. In addition, facilities for dead body dissection and anatomy lab are necessary.

I wanted to place on record that wherever we go, these facilities are lacking in the institutions. This is a very serious study, similar to allopathy. This is a very serious branch of study.

MR. DEPUTY-SPEAKER: Please conclude now.

SHRI RAMESH CHENNITHALA: Sir, I have just taken two minutes so far. I am not talking any irrelevant things. I am putting very relevant points before the hon. Minister. I would be very brief.

Sir, about the lecturers, proper degree holders should be engaged in these colleges.

One most important thing that I want to put-forth before the hon. Minister is about the CGHS registration. The CGHS registration is not there for any of the Ayurveda treatments. If a Government employee goes for Ayurveda treatment, he will not get any reimbursement. If a Central Government employee, or even an MP goes for Ayurveda treatment, he will not get reimbursement. So, the CGHS registration for the Ayurveda treatment is a must.

Sir, because of your compulsion to conclude, I am concluding after making just two more points. Firstly, the Kottakkal Ayurvedashala is the most famous *vaidshala*. My request is that it should be made as a deemed university. Secondly, Trivendrum Ayurvedic College, which is having 500 beds and the Panchkarma Institute in Poojapura which is one of the renowned institutes, should be given the status of a university. Both can be combined. We can make them as a university.

Then, Sir in Kerala, quality of Ayurveda should be maintained. That is very important. In different parts of the country, there are different kinds of institutions coming up.

SHRI HANNAN MOLLAH: Even the medicines are very costly. The Government should give some subsidy on them.

SHRI RAMESH CHENNITHALA: Yes, I am covering that point.

Some grants should be provided for these institutions so that they can give medicine at lower rates.

Then the exploitation of the Ayurveda should be completely stopped. Along with this, the Unani and Siddha medicines are known as metallic preparations. So, purification of metals is very important. Therefore, all these aspects, namely, proper college, popularisation, quality control, etc., are to be taken care of.

Sir, unfortunately, our Government is not giving much importance to the Ayurveda system which is natural and which is totally associated with our cultural heritage. Moreover, this system is far superior to Allopathy. There are certain medicines which are not found in Allopathy. There are no side effects in Ayurveda whereas Allopathy is full of side effects. For example, rejuvenation therapy is not there in Allopathy but Ayurveda has it. Similarly, there are treatments for asthma, migraine, back pain and spondylitis in Ayurveda. But the only thing is that we have to develop this system. The Government should give special emphasis for the development of this system of medicines.

There are a lot of renowned institutions like Kottakkal Ayurvedashala. There is one Ayurvedic *Kendra in Delhi*. We have very prestigious institutions in Safdarjung Enclave. So, these kind of institutions should be promoted and helped by the Government. The Government should come forward to popularise this system of medicines.

MR. DEPUTY-SPEAKER: Now, the hon. Minister.

DR. V. SAROJA: Sir, please allow me also to speak. I would be very brief.

MR. DEPUTY-SPEAKER: Please ask only one question.

DR. V. SAROJA: Sir, I would not take more than one minute.

Hon. Deputy-Speaker, Sir, I rise here to support this Bill.

I would like to know from the hon. Minister that in this Amendment Bill where shall we place the College of Pharmacy. It is under the AICTE. It is dealing with drugs. My request would be that the College of Pharmacy must be removed from the control of the AICTE. It should come under the MCI and it should have a separate pharmacy council. It is, in fact, paradoxical in respect of administrative control as well as quality of education. So, I would like to know from the hon. Minister during her reply, as to whether we will place the College of Pharmacy under the AICTE or under the MCI. If it is under AICTE, will the Government take steps to bring it under the MCI to have the control and production.

Now, I come to my second point.

16.00 hrs.

This is for the kind information of the hon. Minister. Pharmadotcom, on the 1st August 2003, under the title 'Mumbai Blood Banks rate worst in India', states that due to lack of directive from the Centre, the State Blood Transfusion Council is not in a position to accuse the offenders. I would like to know from the hon. Minister whether the Government of India will give a directive to the hospital concerned—I am not taking the name of the hospital also—so that the incidence of HIV-AIDS is checked during blood transfusion.

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, I rise to support the said Bill as it involves just two ordinary amendments about which hon. Minister has already given clarification. As there is shortage of time, so I would not go in detail I would like to make just one request that if a consolidated Bill, covering all issues from Medical systems and pharmacy colleges that have been raised here, is introduced, that would definitely be welcomed.

I support the Bill.

SHRIMATI SUSHMA SWARAJ: Mr. Deputy Speaker, Sir, some of our hon. Members have misconstrued that these amendments are being made in the MCI Act. I have stated in my initial statement that these amendments are not being made in the MCI Act.

Shri Hannan Mollah has put forward two subjects and both of them are not related to it. ...*(Interruptions)*

SHRI HANNAN MOLLAH: They are related to the other Minister.

SHRIMATI SUSHMA SWARAJ: Please ask him in the Question Hour. There is already less time and more over the questions being raised are not related to the Bill. Instead of asking me with regard to the Bill or that the allopathic doctors do not have the right to make prescription for ayurvedic medicines, I would rather tell you everything in the corridor as to what provision has been made for the colleges in West Bengal by the MCI in the MCI Act. Till date I have been hearing that the ayurvedic doctors should not have the right to prescribe for allopathic medicines. We can resolve these questions separately. It is not at all related to this Bill.

Saroja ji is saying that blood bank, blood transfusion, HIV AIDS are some of the amendments related to the Bill related to IMMC ayurvedic colleges. How did this question rise here then ...*(Interruptions)*

[English]

DR. V. SAROJA: Madam, I did not say that the points that I raised were connected with the Bill.

[Translation]

SHRIMATI SUSHMA SWARAJ: I am saying that there is less time, but those questions were raised here which were not related to the Bill. I would give separate reply of these questions.

Questions raised by Shri Chennithala are related to the Bill. I would like to give reply to both of them. As he has mentioned 'mushrooming growth', the meaning it carries has been amended so that this mushrooming growth could be stopped. He said that sub-standard colleges are being opened. Infect amendment was made to raise the level of these sub-standard colleges. Once this Bill is passed, it was passed on 28th January, 2003 there were hindrances in formulating rules in this regard. Once this Act comes into force alongwith the rules then the mushrooming growth will also stop as now it has become necessary to take prior permission of the Union Government. This permission cannot be given by C.C.I.M. After this amendment the original Act, which has now almost been enforced alongwith the Ordinance, would resolve all problems once the Bill gets passed. The act will be enforced with the rules.

The hon. Member had some suggestions. We shall resolve all of them. We would also include the suggestions given by him. Saroja ji has raised the issue of pharmacology. I would like to tell here that we are bringing the pharmacist under 'Ayush' separately in order to regulate it in the Law pharmacology. We would resolve this problem too under the separate law.

Pandeya ji had supported it keeping in mind that we have made the said two amendments only to make those rules. Once the rules are made and Act is enforced, all problems persisting since long would be resolved.

With this, I once again, request all hon. Members here to pass this Bill.

SHRI RAMESH CHENNITHALA: I fell that she can resolve the problems of C.G.H.S.

SHRIMATI SUSHMA SWARAJ: It is with us. Presently Ayurvedic dispensaries are also included under the C.G.H.S., but we wish that reimbursement for all medicines, be it ayurvedic, or homoeopathic, should be made.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That this House disapproves of the Indian Medicine Central Council (Amendment) Ordinance, 2003 (No. 8 of 2003) promulgated by the President on 7 November, 2003".

*The motion was negatived.*

MR. DEPUTY-SPEAKER: The question is:

"That the Bill further to amend the Indian Medicine Central Council Act, 1970, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The House shall now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 4 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 4 were added to the Bill.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

[Translation]

SHRIMATI SUSHMA SWARAJ: Mr. Deputy Speaker, Sir, I beg to move:

"That the Bill be passed".

[English]

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

16.06 hrs.

## UTTAR PRADESH REORGANISATION (AMENDMENT) BILL, 2003

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI HARIN PATHAK): Mr. Deputy Speaker, Sir, with your permission, I on behalf of my senior most colleague, Shri L.K. Advani beg to move that the Bill to amend the Uttar Pradesh Reorganisation Act, 2000 be considered and passed. There were some technical and legal problems in this Bill. When Uttaranchal State was carved out of Uttar Pradesh, Members from U.P. Legislative Council were to be transferred to Uttaranchal. But the term of one Member Shri Devendra Prasad Shastri, came to end on the Fourth and other Member replaced him due to which only eight Members could be transferred to Uttaranchal. Due to this the number of Members in Uttar Pradesh Legislative Council became hundred instead of 99 and then this technical problem cropped up. I would, therefore, like to inform this august House that this Bill has been brought on the basis of the present strength of hundred Members in the Council, It is a small amendment so that all the work done in the council could be recognised.

[English]

I beg to move:

"That the Bill to amend the Uttar Pradesh Reorganisation Act, 2000 be taken into consideration."

[Translation]

MR. DEPUTY-SPEAKER: Whether I can ask one question please? Whether they are not supporting?

SHRI HARIN PATHAK: It is your party which is ruling there.

SHRI RAMJI LAL SUMAN (Firozabad): We are supporting. And we are also making request otherwise Sushmaji would say that I am diverting from the subject. I support this Bill and alongwith this, I would also praise the effort made by our Parliament for initiating open ballot system in Rajya Sabha. Even in the Legislative Councils, the way election takes place a person of party having not a single MLA in the Assembly get elected for Rajya Sabha and Legislative Council. Availing this opportunity, I would request the Government that we would be highly obliged if the same system of open ballot as introduced in election to Rajya Sabha is also introduced for election to the Legislative Councils as soon as possible. I wish that the hon. Minister make an amendment in this regard.

SHRI HARIN PATHAK: I would make the hon. Minister of Law aware of the feelings expressed by hon. Member.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to amend the Uttar Pradesh Reorganisation Act, 2000, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The House shall now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3 were added to the Bill.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

SHRI HARIN PATHAK: I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

16.10 hrs.

**MOTION RE: THIRTY-EIGHTH REPORT OF  
THE COMMITTEE ON PRIVATE MEMBERS'  
BILLS AND RESOLUTIONS**

[English]

SHRI DENZIL B. ATKINSON (Nominated): Sir, I beg to move:

"That this House do agree with the Thirty-eighth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 17th December 2003."

MR. DEPUTY-SPEAKER: The question is:

"That this House do agree with the Thirty-eighth Report of the Committee on Private Member's Bills and Resolutions presented to the House on the 17th December 2003."

*The motion was adopted.*

[English]

MR. DEPUTY-SPEAKER: Now, we shall take up introduction of the Bills.

Shri H.G. Ramulu—Not present.

Dr. S. Jagathrakshakan—Not present.

Shri Vijay Sankeshwar—Not present.

16.12 hrs.

**(I) Constitution (Amendment) Bill, 2003\*  
(Insertion of new article 371EA)**

[English]

SHRI RAMESH CHENNITHALA (Mavelikara): Sir, I beg to move that leave be granted to introduce a Bill further to amend the Constitution of India.

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\*Published in the Gazette of India, Extraordinary, Part II, Section 2, dated 19.12.2003.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

SHRI RAMESH CHENNITHALA: I introduce the Bill.

[English]

MR. DEPUTY-SPEAKER: Shri Basudeb Acharia—Not present.

Shri Chandrakant Khaire—Not present.

16.14 hrs.

**(ii) Constitution (Amendment) Bill, 2003\*  
(Amendment of article 103, etc.)**

SHRI G.M. BANATWALLA (Ponnan): Sir, I beg to move that leave be granted to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

SHRI G.M. BANATWALLA: I introduce the Bill.

[English]

MR. DEPUTY-SPEAKER: Shri P.H. Pandian—Not present.

Prof. I.G. Sanadi—Not present.

Now, the House shall take up Item No. 41. Shri Kodikunnil Suresh to continue his speech as he was on his legs last time.

16.15 hrs.

**High Court of Kerala (Establishment of a  
Permanent Bench at Thiruvananthapuram)  
Bill, 2002—Contd.**

SHRI KODIKUNNIL SURESH (Adoor): Sir, I am extremely thankful to this august House for giving me an

opportunity to move this Resolution as a Private Members' Bill for instituting a permanent bench of the Kerala High Court at Thiruvananthapuram. This is a historical movement for the people of Kerala, especially those who are residents of the Southern districts, for they have been demanding the institution of a High Court Bench at Thiruvananthapuram for a demanding the institution of a High Court Bench at Thiruvananthapuram for a long period now. If it happens it would be a long cherished dream come true for the people of Kerala. I once again thank this House for providing me an opportunity to present this Bill for the consideration of the House and to pass it.

Thiruvananthapuram is the capital city of Kerala, the most literate State in our country. Thiruvananthapuram had been the seat of erstwhile princely State of Travancore. Till the integration of two princely States of Travancore and Cochin as an united State of Travancore-Cochin in 1949. Thiruvananthapuram was the seat of the Travancore High Court. In 1954, the Travancore-Cochin High Court Act was amended as it was felt that it is necessary to establish a High Court Bench at Thiruvananthapuram. Thiruvananthapuram had the High Court Bench of the Travancore-Cochin High Court till the year 1956 when the States Reorganisation Act was passed. From then Thiruvananthapuram is the only State capital in the country where there is no High Court or even a Bench of the High Court.

The people in the southern regions and districts or the State of Kerala started an agitation to re-establish the High Court Bench at Thiruvananthapuram. As a result of the then hon. Chief Justice of Kerala High Court approved a Bench approval of the Governor of Kerala under Section 51 (3) of the States Reorganisation Act. Such an arrangement continued till the year 1958. The then Chief Justice of Kerala stopped the practice of sending cases for hearing by the Single and Division Bench of the High Court at Thiruvananthapuram.

Sir, the members of the Bar Association of Thiruvananthapuram on behalf of the litigant public made representations to the various authorities to initiate necessary Government level steps to institute a Bench of the High Court of Kerala at Thiruvananthapuram. The Bar Association has submitted representation as early as in 1995 to His Excellency, the President of India, the then Opposition Leader of Rajya Sabha, Shri Sikandar Bhakt, at present His Excellency the Governor of Kerala, the then Law Minister, Shri Ramakant Khalap and various other Governmental authorities. Since then the Thiruvananthapuram Bar Association has been consistently



[Shri Kodikunnil Suresh]

taking up this issue before the various authorities both at the Central and State Governments and the Judiciary.

In 1958 the Kerala Legislative Assembly passed a resolution requesting the Central Government to establish a permanent Bench of the High Court of Kerala at Thiruvananthapuram. Later on in 1972, the then Chief Minister of Kerala had given an assurance on the floor of the Assembly, in response to a non-official resolution demanding establishment of a permanent Bench of the High Court of Kerala at Thiruvananthapuram, that all necessary steps would be taken by the State Government in this regard. In 1995 the Kerala Government openly declared that all possible steps would be taken for the establishment of a permanent Bench of the Kerala High Court at Thiruvananthapuram.

Sir, thereafter in 1999 the Government of India requested the Government of Kerala to obtain the views of the Chief Justice of Kerala regarding establishment of a Bench at Thiruvananthapuram and to clarify whether the proposal to institute a Bench of the Kerala High Court at Thiruvananthapuram satisfied all the requirements made out by the Jaswant Singh Commission Report.

The action to establish a Bench of the High Court of a State to place away from its seat is to be taken by the Government of India on a proper proposal made by the concerned State Government in consultation with the Chief Justice of the State and in conformity with the Jaswant Singh Commission Report. The Central Government can take the decision if it is satisfied and the Bench can be established by an order of the President of India.

Mr. Justice Subramaniom Potti, while acting as a Chief Justice of Kerala had intimated the State Government that the Kerala High Court had no objection in the establishment of a Bench of the High Court at Thiruvananthapuram. Other past Chief Justices including Justice Malimath, Justice Omprakash, Justice Uday Pratap Singh had expressed their assent for a Bench of the High Court at Thiruvananthapuram. Mr. Justice Omprakash even openly declared the need of a Bench of the High Court at the capital on his visit to Thiruvananthapuram on 9.11.1998.

Sir, the Home Department of the Kerala Government has underlined the necessity of starting a High Court Bench at Thiruvananthapuram through a note and agenda circulated among the Members of Parliament of the State at an MP's Conference organised by the Government of Kerala on 24th November, 2003. In pages 24 and 25 of the Agenda Notes the reasons for establishing a Bench of the High Court of Kerala at Thiruvananthapuram has been narrated.

16.21 hrs.

(Dr. LAXMINARAYAN PANDEYA *in the Chair*)

At present the High Court of Kerala situated at Kochi, a city 220 kilometers away from Thiruvananthapuram, the State capital of Kerala. Establishment of a permanent Bench at Thiruvananthapuram will enhance the efficiency of the High Court of Kerala and also will help the High Court clear up the arrears of work. Every year tens and thousands of cases relating to revenue recovery, revenue collection, commercial taxes and service matters are being filed before the High Court of Kerala. Most of the Head Offices of various Government departments under the Government of Kerala are situated at Thiruvananthapuram. Much difficulty is faced by the Government of Kerala are situated at Thiruvananthapuram. Much difficulty is faced by the Government and litigant public as the High Court is situated at a far away place from the State capital.

Sir, I would like to give the figures in regard to the amount spent by the Kerala Government for this. In the year 1999-2000, the expenditure incurred was Rs. 58.9 lakh and in 2000-01 it was Rs. 58.32 lakh. The main expenditure incurred was under the heading 'Travelling allowance and daily allowance paid to Government officials'. The position was intimated to the Chief Justice of Kerala and it was requested that the views of the High Court on setting up of a Bench of the High Court at Thiruvananthapuram may be conveyed to the State Government.

Mr. Chairman, Sir, in response, the Chief Justice of Kerala sought for some clarifications such as whether by setting up a Bench of the High Court at Thiruvananthapuram, the expenses incurred by the Government of Kerala every year, for defending cases before the High Court at Kochi would come down or not. The Chief Justice further asked, "would it not become necessary for the Government to set up a new establishment for the Advocate General's office and High Court at Thiruvananthapuram"? There were other such queries such as, "Would that not involve an avoidable additional expense on establishment and even infrastructure"?

The State Government discussed the matter in the meeting held by the Chief Secretary of the State and attended by the Principal Secretary (Home), Principal Secretary (Finance) and Secretary (Law) on 6.3.2003. The meeting considered all the aspects of the issue and favoured the establishment of a Bench of the Kerala High Court at Thiruvananthapuram.

Sir, the Chief Minister of Kerala, *vide* D.O. letter no. 56633/SSA3/98 Home dated 16.5.2003 informed the Chief Justice of Kerala that to set up a new establishment for the High Court and the Advocate General's Office at Thiruvananthapuram, the city has the necessary building infrastructure to accommodate the needs of the Bench when it is established. The letter further clarified that the establishment of the Bench of High Court at Thiruvananthapuram will not involve any unbearable financial burden on the State Government. The Chief Minister narrated that the benefits that may accrue on the State Government would be more than the expenditure incurred. The Chief Minister has pointed out that the benefits are much more to the State capital. A High Court Bench at Thiruvananthapuram would enable more active attention to cases especially those involving finance of the State, quicker compliance of the order of the High Court and better co-ordination between the Judiciary and the State Government. So, it was requested to the Chief Minister of the State Government to convey the views of the High Court on the matter so as to take up this issue with the Ministry of Law, Government of India.

Sir, Kerala Government has estimated that the State loses hundreds of crores of rupees every year due to the absence of a High Court Bench at Thiruvananthapuram. The decision of the High Court is being awaited. The historical fact is that Thiruvananthapuram is the only State capital among the different State capitals of the country which do not have a Bench of the High Court having territorial jurisdiction over the State. Thiruvananthapuram has all the necessary infrastructure and it satisfies all the conditions stipulated in the Jaswant Singh Committee Report for instituting a High Court Bench in the city. The Report says that it is not necessary that all the norms detailed at satisfied. It is enough if the totality of the conditions and the circumstances obtaining at a particular region warrant the establishment of the Bench. As it is understood, many conditions prevailing now are favouring the establishment of a Bench of the High Court of Kerala in Thiruvananthapuram. I understand that the Union Law Minister and the Minister of State for Law and Justice are in favour of establishing a Bench of the High Court of Kerala in the capital city of Thiruvananthapuram. But action has not been initiated by them.

I sincerely request this House to kindly consider this Bill and to pass it. I request the hon. Minister for Law and Justice to initiate necessary steps to institute a Bench of the High Court immediately so that the long cherished dream of the people of Kerala would come true. This is my request. Hon. Minister of State for Law and Justice,

Shri P.C. Thomas is with us today. I hope he will give a favourable and positive reply in this regard. We are awaiting that reply from him.

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for the establishment of a permanent Bench of the High Court of Kerala at Thiruvananthapuram, be taken into consideration.

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, I rise to support the Motion moved by Shri K. Suresh. It is a long-standing demand of the people of Kerala for establishing a Bench of the Kerala High Court at Thiruvananthapuram. In this respect, I may point out that there were agitations also for this purpose. Many legal luminaries had taken part in that agitation was started nearly three decades back but, so far, no concrete steps have been taken either by the State Government or the Central Government in this respect. Now, as far as I know, it is the policy of the Central Government that justice must be made cheaper to the common man. In this respect, there is a proposal to have a Bench of even the Supreme Court at Bangalore which will suit the convenience of the people in the South. So also, it is only just and proper that we have a Bench at Thiruvananthapuram. If we have it there, that will be beneficial to the four districts in the South of Kerala. It is not only that. Even the Government of Kerala have informed the Central Government as well as the High Court that they would be benefited by the establishment of a Bench because almost all the Public Interest Litigations-the PIL is the law of the land now-will be filed there. In every case, there will be a Public Interest Litigation. The Public Interest Petitions will also be there before the High Court in many respects. Writ Applications will be filed. Article 226 of the Constitution is being used every now and then. In all these cases, the Government will be a party. The Government will have to file counter-affidavits and defend themselves against the encroachment on the citizens' rights.

Naturally, in almost all the Writ Applications, the Government is a necessary party. The Government and its machinery will have to move the High Court from 225 miles away from Thiruvananthapuram with all the materials. It involves a very big amount of expenditure from the Exchequer by way of fees etc. Of course, fees will have to be paid even in Thiruvananthapuram. But the travelling expenses, transport expenses and all these will come up to crores of rupees every year for conducting Government case at Cochin, the present headquarters. So, it will be beneficial in public interest also, in the interest of the Exchequer also if there is a Bench at

[Shri Varkala Radhakrishnan]

Thiruvananthapuram. Almost all the Writ Applications pending before the High Court can be disposed of at Thiruvananthapuram. It will be easy for the Government to put in an appearance; it will be easy for the Government to take notice; it will also be easy for the Government's advocates and the Advocate-General to be present as and when they are called for. So, without involving much expenses to the State Exchequer, this can be established. That is why, even the Government is also wavering with this proposal because it will be reducing the expenditure by way of litigation by the Government. That is one thing.

Secondly, there must be some connection between the Executive and the Judiciary—the two arms of the State—in day to day functioning. In Delhi, we have the Supreme Court and the High Court. We have the Parliament and the Central Executive here. There is constant connection. That will pave the way for easy administration of justice. So also, if a Bench is established at Thiruvananthapuram, that will lead to easy disposal of justice so far as the State is concerned. Moreover, the Government also will be very much benefited by having a Bench very near to their headquarters. That is very essential. Even for the Judiciary also, the nearness to the Executive is very much helpful in the administration of justice. So, considering all these aspects, the Bench must be established. Nobody can deny the cause by any stretch of imagination.

In the instant case, I may point out that the Kerala Government has also taken a very definite step for the establishment of High Court Bench at Thiruvananthapuram. It is not a new thing. A Bench was established at Thiruvananthapuram. It was functioning for some time. But a Chief Justice, because of his imagination, had withdrawn the filing powers of that Bench so that it came to a stop. Because of the wrong order issued by the Chief Justice telling not to file any more cases before the Thiruvananthapuram Bench, it stopped functioning. The net result was that the Bench did not function without filing powers. So, after all, it is not the establishment of a new Bench. It is only the re-establishment of a Bench at Thiruvananthapuram. It is a matter of fact that we are not asking for a new Bench. We are asking for the re-establishment of a Bench which was functioning in Thiruvananthapuram for some time even after the headquarters of the High Court was shifted to Cochin. Moreover, it may be pointed out that we have the High Court Library at Thiruvananthapuram because the High Court was functioning there for over 150 years. So, the Thiruvananthapuram High Court had a tradition of 150 years.

It was only after the integration of the erstwhile provinces of Cochin and Travancore, the High Court was shifted to Kochi as a compensatory measure for having the capital at Thiruvananthapuram. But it was not a correct decision. Now, all the infrastructural facilities are available in Thiruvananthapuram for the establishment of a full High Court.

Secondly, it may be borne in mind that the Kerala Assembly had taken a unanimous decision for the establishment of a High Court Bench at Thiruvananthapuram. So, the Executive is in favour, the Legislature is in favour and sometimes the Judiciary was also in favour, but it could not be given effect to. The present state of affairs is that I have written several times to the Law Minister of the Central Government and he has given me a reply that the Government would consider it as soon as they receive a reply from the Chief Minister of Kerala with the approval of the Chief Justice of the Kerala High Court. That is not forthcoming. The most important question is: who will bell the cat? Either the Central Government has to take the initiative and establish the Bench or they should prevail upon the State Government to speed up the matter after obtaining the opinion of the Chief Justice of Kerala. They should not delay the matter further. Shri Ram Jethmalani and Shri Arun Jaitley have written to me that they are agreeable for the establishment of a High Court Bench at Thiruvananthapuram, but as per the rules of practice they want a definite reply from the Chief Justice of Kerala. Now, the matter has come to such a position, as far as I know from the written reply given by the Law Minister, that the Central Government is awaiting the reply of the Chief Justice as well as the Chief Minister. If that is available, they can take the decision and if not, they should remind them get the reply and see that the long-cherished wish of the people of Kerala becomes a reality.

Then, with regard to the judicial process also, the Central Government will have to do some important things. Now, Fast Track Courts are available throughout the country. But, unfortunately, they are not there in the State of Kerala. So, Fast Track Courts will have to be established there without further delay and for this purpose, the Central Government should render all assistance to the Government of Kerala for the speedy establishment of Fast Track Courts.

Sir, the Family Courts are very popular among the people now, but the Family Courts do not have any building. They are functioning in some rented buildings and it is also very difficult for the advocates to go and

practise there. Moreover, the Family Courts are very popular in the sense that family counselling will also take place there and that a decision will come without any delay.

There are only a few Family Courts in Kerala. So, the number of Family Courts will have to be increased from the present number and there must be two or three Family Courts in every district so that the human relationship can be maintained properly. So, I request the Central Government to give assistance to the Government of Kerala to establish Fast Track Courts in Kerala and also increase the number of Family Courts. I hope the hon. Minister will take the necessary initiative and see that this is done without delay.

Sir, I would like to raise another matter regarding computerisation of the judicial process. As far as Kerala is concerned, computerisation of the judicial process is at a low ebb and so, computerisation is the immediate need of the hour. The information technology sector is in a very advanced state in Kerala. So, taking all these factors into consideration, I request the Central Government to computerise the judicial process in Kerala by assisting the State Government by providing necessary equipment. The Central Government should consider the request of the State Government for giving aid for three things: (i) fast track courts; (ii) increase in the number of family courts; (iii) computerisation of courts so that speedy disposal of cases could be done. In that way, speedy justice would also be achieved. For that purpose, these modern amenities should be made available to the State of Kerala without delay.

Lastly, I once again repeat that the Bench at Trivandrum should be established without any delay. With these words, I strongly support the Resolution moved by my friend, Shri Kodikunnil Suresh.

SHRI RAMESH CHENNITHALA (Mavelikara): Sir, I rise to support the Bill which has been introduced by our hon. colleague, Shri Kodikunnil Suresh. This is a long-standing demand from the people of Kerala. I think, it is more than two decades that we have been arguing for this. The Government of Kerala is also pressing this demand. Time and again, the Government of Kerala has presented this matter before the hon. Minister of Law and Justice. The Chief Justice of Kerala High Court had also given a positive suggestion and consent to the proposal for setting up a new Bench in the State of Kerala.

In reply to unstarred Q.No. 2541 regarding setting up of a new High Court Bench, Shri Arun Jaitley said:

"At present there are 21 High Courts in India. The number of pending cases in the High Courts is given in the Annexure. The setting up of the Bench of the High Court away from the principal city is considered on the receipt of a complete proposal from the concerned State Government with the consent of the Chief Justice of the High Court."

He has suggested two important proposals for setting up of High Court Benches. One is for the Madras High Court. Recently, a Bench has been established in Madurai. Another proposal is for a Bench in Jalpaiguri in West Bengal. They want accommodation and other infrastructure facilities. ...*(Interruptions)* So, from his answer, it is very clear. The present Government is not averse to the proposal of setting up of new Benches.

The Jaswant Singh Commission had submitted its Report in 1985. If you go through the history of demands for new Benches, you can see for and against suggestions and arguments. A lot of discussions took place.

The Report of the Fourth Law Commission itself has a conservative view. They were against setting up of Benches in different parts of the country. They said that there was no need for having so many Benches in one State. They have given a lot of reasons for that. They said that there should be only one High Court and that court should sit in one place and hear the cases properly with a cool mind so that the decisions can be taken effectively. There are more than 14 or 15 reasons given by the Fourth Law Commission in its Report. But the legal luminaries have contradicted this view. They had given certain valuable suggestions in this regard. The Fourth Law Commission has listed at least 14 observations against the setting up of new Benches. But these have been contradicted by leading lawyers like Justice V.R. Krishna Iyer, Justice Venkataramiah, Justice Khanna, Justice Singhal, Justice K.N. Seth and Justice D.N. Dayal. So many luminaries have given their opinion against this argument. This is a conservative thinking in the judiciary. The time has changed. The aspirations of the people are changing. The legal environment is changing.

The number of cases, which are pending in the Kerala High Court, is increasing day by day. It is not the case with Kerala High Court alone, but in so many High Courts lots of cases are pending. In Kerala, 17,107 criminal cases and 3,93,972 civil cases are pending as

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on 31-3-2002. If you look at this, in every High Court, the number of cases are piling up. Sir, justice delayed is justice denied. A number of cases are pending, people are not getting justice. So, there is a kind of frustration developing in the minds of the people.

Sir, I will give an example. In a country, like Italy, mafia is coming up like anything. People are welcoming mafia because in Italy mafia is doing an excellent work. It is good word because people say that if you go to mafia, they will redress your grievances within a week. This is an example for the decreasing confidence in the judicial system. It leads to anarchy. Speedy disposal of the cases is the order of the day. It is the demand of the day. Unfortunately, in our own High Courts, the cases are pending. People are frustrated and people are facing lot of difficulties.

Sir, in the extract from the Fourth Report of Law Commission of India, it is clearly stated, 'there were Benches in different parts of the States. For example, High Court of Punjab, which has a Bench at Delhi, High Court of Rajasthan, which sits at Jodhpur and Jaipur, High Court of Uttar Pradesh, which has a Bench at Lucknow, High Court of Travancore, Kochi sits at Trivandrum and Ernakulam and High Court of Madhya Bharat-at that time it was called Madhya Bharat-sits at Gwalior and Indore. Sir, it is not a new practice, it is not a new demand. Earlier also, when it was in Travancore, Cochin in Kerala, there were Benches sitting at Trivandrum and Ernakulam. At that time, it had been accepted as a genuine demand. Now, the situation has changed and people are facing immunerable problems.

Sir, after giving thoughtful and anxious consideration to different and divergent views, the Jaswant Singh Commission has clearly said, 'the experience, allaying the apprehensions raised by the Law Commission and High Courts' Arrears Committee.' They have said this. They have gone into all these details. They have weighed the pros and cons of this and they said that "setting up of new Benches in different parts of the State is a welcome step."

As Shri Suresh rightly pointed out that the Kerala Government has already written to the Union Government that by considering all these aspects a lot of expenses can be curtailed. Lakhs and lakhs or rupees are spent by the Government on Government employees for their travelling expenses. A huge amount is spent on this aspect. Most of the Government cases are also getting delayed because they have to go to Cochin, they have

to travel 250 kms. and they have to attend the court at Cochin.

The hon. Minister himself is a learned lawyer. He was practising in Thodupuzhaa. He is one of the good lawyers that we have. So, he is aware of all these aspects. The Government of Kerala is ready to provide all kinds of infrastructural facilities and other requirements. In the last MPs' Conference also, the Chief Minister clarified the position of the Government. He evidently said that the Government of Kerala is for setting up a Bench at Trivandrum and he will provide all assistance and all facilities. All infrastructure needs will be provided by the Government.

Sir, it is Jaswant Singh Commission which went into all these views and examined all the opinions expressed by various quarters. "So, in view of the aforesaid weighty observations of the High Courts we are of the firm view that the constitution of separate Benches of High Court in the moffussil places of the State, to cater to the genuine needs of the people of certain regions, would not be repugnant to the Constitution. Therefore the objection raised by the antagonists as to the Constitution. Therefore the objection raised by the antagonists as to the invalidity of the creation of Benches of High Court in the moffussil, which may, by and large, satisfy the criteria suggested by us, is without any substance." So, they are rejecting the views expressed by certain quarters against setting up of Benches in various parts of the State. Here, Sir, this is to be considered as the genuine aspiration and genuine demand of the people of Kerala. It is not a political matter. Every political party in our State is also hearing this opinion and they are struggling for this genuine demand.

We are fortunate that the Minister of Law and Justice is from our State. He is one among us. Even though he was elected from our side, now he is with the other side. I think, he will give justice to the State of Kerala. He will do justice to the aspirations of the people of Kerala. We are definitely expecting a positive reply from his side so that the long-standing demand of the people of Kerala will be fulfilled. With these words, I conclude.

SHRI E.M. SUDARSANA NATCHIAPPAN (Sivaganga): Thank you Chairman Sir. I support this Bill because it has got a very valid reason to have a permanent High Court in Thiruvananthapuram, the State Capital.

Sir, I would like to supplement, more or less, the arguments made by the other friends from the State of

Kerala. The importance of the High Court is much more larger now because in 1980, the Administrative Tribunals were constituted for service matters, taxation, excise, customs and even for consumer protection. A lot of Administrative Tribunals were created and quasi-judicial Tribunals were constituted. But, within a decade we find that it cannot suit the requirements of the people, as High Courts were taking care of them. Therefore, now, even the Government of India is coming forward with a Bill to say that if a State Government does not like to have the Administrative Tribunal, they can abolish it any time. Such is the position. It is because the retired High Court Judges or the retired District Judges, coupled with retired bureaucrats, cannot redress the grievances of the common man, or the service people, or of anybody else who needs their help, just like a court of law.

No doubt, the procedures made in the courts of law may be very lethargic one, or long-drawn one, but they can be shortened by proper procedural curtailment. But, at the same time, the power of an order issued by the High Court is much more than that of a Tribunal. At this juncture, I would like to suggest that the entire system of Judiciary is to be revamped and more dynamism should be given to the Judiciary.

When there is violation of fundamental rights, we can very easily get relief from the High court. We can get protection. Plenty of cases are pending in writ jurisdiction before the High Court. Everyday, the rights of the citizens are violated knowingly and unknowingly by certain authorities. Redressal can be given to such things by the cheap remedy of going to the High Courts.

But, now distance is also one of the criteria. We are in the age of re-commerce and electronic administration. When a man wants his grievance to be redressed, he has to be nearer to the point where he should have access to the grievance redressal institution. Therefore, I request that the Government should have a new thinking.

Now, they are creating a number of new tribunals in the 21st century. They are coming forward with lot of legislative pieces for creating Telephone Regulatory Authority and Petroleum Regulatory Authority. They are bringing in a number of other regulatory authorities also. More or less, they are doing both the executive and the judiciary works. This will also end up one day that it is not useful. But one thing is useful, that is, the judicial system, especially the High Court at the State level is useful for the common man to redress as quickly as possible with all the legal formalities.

The only thing that we find is that the largest litigant is the Government. It is because the Government machinery is not looking into the problems quickly to redress them. Therefore, they are going to the judiciary. Even when we are passing any enactment in Parliament, immediately it is touching the doors of the High Courts and the Supreme Court and we are obeying the orders of the Supreme Court because they think in a different way which is accepted by the people. Therefore, we need at least the minimum a High Court at the State level immediately.

I have got another grievance in my State of Tamil Nadu. Already there is a well-established building. More than Rs. 50 crore was invested for starting a High Court Bench in Madurai, and the construction of the building is over. The High Court of Madras has already given its consent. The only thing is that the Government of India and the Executive have to enable a Resolution to be passed in Parliament telling that there should be a High Court Bench in Madurai. That has been pending for the past one year. Even the Chief Justice of Tamil Nadu has already written to the Government of India and also to the Supreme Court regarding this aspect. The State administration is also ready for it. If a Bench of the High Court had started in that building, which was already constructed a year before and opened, the grievances of lakhs and lakhs of people would have been redressed and many of their problems would have been solved. That is one of the special duties. That is the obligation of the State and that has to be done.

With these words, I just sum up to submit that a Bench of the Supreme Court should also be constituted in South India, especially in Chennai which is a very famous place for judicial aspects because it was one of the places for chartered High Courts when the British people had ruled Mumbai, Chennai and Kolkata. Therefore, a Bench of the Supreme Court should also be constituted.

SHRI RAMESH CHENNITHALA: You have already got a Bench at Madurai. There has already been a Bench there.

SHRI E.M. SUDARSANA NATCHIAPPAN: I am asking for it. Therefore, I request that the Southern States need to have a Bench of the Supreme Court. A Supreme Court Bench will be very helpful in the changed economic scenario. A lot of grievances can be redressed by not coming over to Delhi, by not spending a lot of money and by not waiting for so many days.

[Shri E.M. Sudarsana Natchiappan]

A new Minister has come he is also a practising lawyer before he became a Member of Parliament. Also, the senior Cabinet Minister is also a practising lawyer. They know the problems of the people, especially in this aspect. The pain of getting justice should be removed monetarily, physically, mentally and time-wise. A proper grievance redressal machinery should be created. That is one of the things that a High Court Bench each at Thiruvananthapuram and at Madurai will be the starting places for further Benches to be created throughout India, and we can have a Supreme Court Bench also for the Southern States, especially in Chennai.

17.00 hrs.

SHRI V.S. SIVAKUMAR (Thiruvananthapuram): Thank you, Sir, for giving me this opportunity to speak on this subject.

I wish to extend my support for the Bill moved by Shri Kodikunnil Suresh seeking the establishment of the Kerala High Court Bench in the capital city of Thiruvananthapuram. Thiruvananthapuram is the only capital city in India where no High Court Bench is functioning. The erstwhile Travancore High Court was functioning at Thiruvananthapuram till 31.10.1956. It was shifted to Ernakulam by a notification.

The first Kerala Assembly, in 1958, unanimously adopted a Resolution for setting up of the High Court Bench at Thiruvananthapuram. In 1971, the then Chief Minister had assured in the Kerala Assembly that the Bench would be established at Thiruvananthapuram. In 1996, the then Chief Minister of Kerala had sent the same proposal to the Government of India. It was sent back for re-submission with certain clarifications whether Thiruvananthapuram satisfies the norms recommended by the Jaswant Singh Commission, after consultation with the Chief Justice of Kerala. It may be noted that Thiruvananthapuram fully conforms to the norms recommended by the Jaswant Singh Commission.

The same issue has been raised by hon. Members of Parliament from southern parts of Kerala, including myself, several times on the floor of the Lok Sabha. The hon. Minister of Law, in his written reply has categorically assured that if the proposal for setting up of the High Court Bench at Thiruvananthapuram would be submitted in consultation with the Chief Justice of Kerala, the same would be considered. The hon. Chief Minister of Kerala had intimated the favourable position to the hon. Chief Justice of Kerala and had requested to convey the views

on setting up of a High Court Bench at Thiruvananthapuram so as to take up the matter with the Ministry of Law, Government of India.

In this connection, the hon. Chief Justice sought for certain clarifications about the financial commitment on establishment of advocate-General's Office and High Court Bench at Thiruvananthapuram for considering the proposal. The hon. Chief Minister of Kerala, in his D.O. Letter dated 16.5.2003, intimated the hon. Chief Justice of Kerala that the Government of Kerala would not involve any unbearable financial burden on the State for setting up of infrastructural facilities for a High Court Bench and the benefits accruing to the State Government would more than compensate the expenditure, benefits being closer and more attention to case, quick compliance of the orders of the hon. High Court, better co-ordination between the Judiciary and the Government, etc. The hon. Chief Minister of Kerala also requested him to convey the views of the High Court on the matter so as to take it up with the Government of India.

It is learnt that the Bench of the Madras High Court is established at Madurai in Tamil Nadu and also a Bench of the Madhya Pradesh High Court is established at Bhopal, the capital city of Madhya Pradesh. There are two recent developments in favour of strengthening the demand for a Bench of the Kerala High Court at Thiruvananthapuram.

It is pertinent to note that the State exchequer suffers an approximate loss of Rs. 100 crore annually for defending cases at the High Court at Ernakulam. In the background of the recent decision of the Government of India to sanction additional posts of eleven High Court Judges to Kerala, it becomes more relevant to have a High Court Bench at Thiruvananthapuram.

It may be worthwhile to mention in this context that the hon. Minister may initiate urgent steps for setting up of a Bench of the High Court at Thiruvananthapuram, the capital city of Kerala, in view of the administrative necessity of the Government of Kerala and fulfil the long-cherished desire of the people of the southern districts of Kerala.

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI P.C. THOMAS): Sir, the hon. Member Shri Kodikunnil Suresh who has brought the Bill, and also the other hon. Members have submitted the need for setting up of a High Court Bench at Thiruvananthapuram, the main aspects being the

expenditure incurred and the proximity of the Government Secretariat to Thiruvananthapuram. The other aspects include distance to the High Court of Kerala where it is situated at present and the difficulty for the litigants to go over to that place.

These aspects, as they have already been mentioned, are very important aspects, even to be considered as per the Jaswant Singh Commission for which several mentions have come up.

Article 242 of the Constitution is the relevant article, which gives the power to have High Courts in each State and it says that there should be a High Court in every State. Article 215 also specifically says that the High Court shall be a court of record. It means that High Court will have its own procedure with regard to several aspects and also with regard to where the cases are to be heard and where the Benches are to be established. All these things can come under that article. The States Reorganisation Act of 1956 which was one relevant Act wherein Section 51(a) clause (ii) was a relevant section with regard to setting up of Benches or High Courts in various parts of a State. Now, there was also a Supreme Court decision and that was on 24.7.2000 when the Karnataka Bar moved the hon. Supreme Court. The Supreme Court has clearly mentioned there that the High Court is the best-suited machinery to decide whether it is necessary and feasible to have a Bench outside the principle seat of that High Court. Now, this is a matter which has been dealt with by various speakers here also. It is true that the Government of Kerala through, the letters in 1995 as well as in 1999, through their Chief Minister, expressed the view of the Government that a Bench of the High Court should be set up at Trivandrum. Now, the Government of India had, at that time also written back stating that the proposal should come with the consent of the hon. the Chief Justice of the High Court. As has been stated-some queries were also there in between-but it is a fact that till now a complete proposal in that respect is yet to come. In fact, the Government of India is not averse to setting up of Benches. It is also a fact that some Benches have been set up in some of the States, which have been mentioned. Even after the original High Court Benches, the seat of the High Court was in a particular place. The present Government will not stand in the way if a proposal comes in this respect.

Being from Kerala, I know the aspirations of several persons and several people in those districts in the Southern part of Kerala. It is an aspiration which has been there for quite long. But, unfortunately, the complete

proposal could not be made. Now, there is no way in which we can pass a legislation to that effect when the constitutional provisions are there and when the other judicial pronouncements are also there to that effect. So, it will be in the best interest of the State as well as the Government concerned and the people concerned to have the proper procedure adopted in this case also. We hope that a proper proposal will come from the Government of Kerala with the due consultation which is required. ...*(Interruptions)*

SHRI KODIKUNNIL SURESH: The proposal has already come. ...*(Interruptions)*

SHRI P.C. THOMAS; The proposal from the Government is there, but it is not enough. The proposal should have the backing of the Chief Justice. That is the problem. It has been mentioned by all the speakers here. ...*(Interruptions)*

SHRI RAMESH CHENNITHALA: I would like to know whether the Ministry of Law responded to the letter which has already been sent by the hon. Chief Minister of Kerala stating all these facts. ...*(Interruptions)*

SHRI P.C. THOMAS: That has been responded to. ...*(Interruptions)*

SHRI KODIKUNNIL SURESH: Your statement is contrary. ...*(Interruptions)*

SHRI P.C. THOMAS: On 10th December, a letter has been sent by the Justice Department to the hon. Chief Justice of Kerala stating these facts.

That proposal is being awaited. That is what the hon. Members have also said. I would submit and I would assure that the Government of India will not stand in the way and the Government of India will take all steps if the proposal comes with the consent of the Chief Justice and I think the Government can consider it at the earliest. I have consulted the others in the Ministry also. It is a fact that this can be considered. I think there is a positive assurance that can be heaven to that extent but the assurance will not be to the extent that a Bench of the High Court can be formed in the State of Kerala at Trivandrum at this stage because of the situation which I have already mentioned.

As far as some other aspects which have already been stated are concerned, I would like to mention about them. Hon. Member Shri Varkala Radhakrishnan has also said about them.



SHRI VARKALA RADHAKRISHNAN: What about family courts?

SHRI P.C. THOMAS: Yes, you have said it and others have also said about some of the aspects relating to the judiciary. The fast track courts have been established in Kerala. But yet, some more can be established. About eleven more courts can be established in Kerala and the Centre is ready to give funds for the same for Kerala. My friend Shri Radhakrishnan has mentioned about the family courts. It is due that only nine districts in Kerala have now family courts. Regarding the family courts in the other five districts, I myself have taken some interest to see that some proposal comes from there and we are awaiting the proposal for that also. We can have them in these five districts positively.

SHRI VARKALA RADHAKRISHNAN: You give them for all districts.

SHRI P.C. THOMAS: Regarding having a few others also, if the proposal comes from the State Government with the consent of the High Court, we can consider giving some more family courts and the Government of India will give Rs. 10 lakh to each such court for establishment and Rs. five lakh for recurring expense.

A point was also mentioned about general assistance to the State. I can also announce at this stage that during the current financial year an amount of Rs. 284.88 lakh has been earmarked for Kerala for development of infrastructure facilities for the judiciary, which includes for the Kerala High Court also. The first instalment of Rs. 149.44 lakh has already been released to the State Government. There is also a proposal to computerise—this was also a point that was mentioned—the court in Ernakulam at an estimated cost of Rs. 8.65 crore during the current financial year. This proposal is under examination.

I would think that as has been discussed and as has been said by hon. Members also, the setting up of the High Court Bench can be done with the consent of the High Court if the proposal comes at the earliest. We would also see to it.

SHRI KODIKUNNIL SURESH: You gave the same reply earlier also. ...*(Interruptions)*

SHRI P.C. THOMAS: Nothing has happened also. That is the problem, as you have also mentioned. Some other aspects were also mentioned. Even these things have to be re-checked where we have to await the proposal to come from the High Court.

SHRI VARKALA RADHAKRISHNAN: The Union Government can commit themselves that on receipt of the report of judiciary, you would do it. You can tell that. ...*(Interruptions)*

SHRI P.C. THOMAS: That is what I have said. I have also said that the Government will definitely consider, and that can be considered at the earliest if the proposal comes as needed. I hope that a proposal will come at the earliest.

SHRI E.M. SUDARSANA NATCHIAPPAN: What about the Bench of Madras High Court and Madurai?

SHRI P.C. THOMAS: Regarding the Bench at Madurai, the High Court building is being constructed and I am told it is almost completed. We are awaiting for the letter from the Chief Justice of Madras High Court regarding the infrastructure. He has to give a letter that it has been done to his satisfaction. If that is done, then I think the proposal will get through.

I think, with these words, I would request that the hon. Member may not press for the Bill at this stage on the basis of the assurance given, which is the maximum assurance which can be given at this stage.

SHRI KODIKUNNIL SURESH: Mr. Chairman, Sir, first of all I would like to congratulate all the hon. Members who have participated in the discussion on this Bill. Shri Varkala Radhakrishnan is one of the leading advocates in the Thiruvananthapuram Bar. He had expressed his views during the discussions. Actually, he was one of the leaders who led us several times during the agitation in the past.

SHRI RAMESH CHENNITHALA: A good lawyer, but with no case!

SHRI KODIKUNNIL SURESH: A good lawyer, but with no case—Sir, this is the view of Shri Ramesh Chennithala, and not mine. So, I convey my thanks to Shri Varkala Radhakrishnan.

I would also like to convey my sincere thanks to Shri Ramesh Chennithala, who has also participated in this debate. He has also made very good points and argued the necessity of a High Court Bench at Thiruvananthapuram.

I would also like to congratulate Shri E.M.S. Natchiappan. He has also expressed his views during the debate. Shri V.S. Sivakumar, is a Member of

Parliament from Thiruvananthapuram Parliamentary Constituency, and he has expressed the sentiments of the people of Thiruvananthapuram and the adjacent districts.

Shri P.C. Thomas, the hon. Minister is very much aware of the problems being faced in Kerala. He is also aware of the judiciary because as he was a leading advocate-as Shri Ramesh Chennithala has mentioned-in the Thodupuzha Bar. So, he can understand the sentiments of the people of Travancore area. We hope that the hon. Minister will pursue this matter at the earliest and establish a permanent High Court Bench at Thiruvananthapuram. I hope that he will take the initiative in this matter, as he knows the sentiments of the people of Travancore and Thiruvananthapuram areas.

I will again request Shri P.C. Thomas-the Minister of State in the Ministry of Law and Justice-to take urgent steps to establish a permanent High Court Bench at Thiruvananthapuram.

With these words, with the hon. Minister's assurance in this august House, I would like to withdraw my Bill.

I beg to move for leave to withdraw the Bill to provide for the establishment of a permanent Bench of the High Court of Kerala at Thiruvananthapuram.

MR. CHAIRMAN: The question is:

"That leave be granted to withdraw the Bill to provide for the establishment of a permanent Bench of the High Court of Kerala at Thiruvananthapuram."

*The motion was adopted.*

SHRI KODIKUNNIL SURESH: Sir, I withdraw the Bill.

17.18 hrs.

MESSAGE FROM RAJYA SABHA  
AND  
BILL AS PASSED BY RAJYA SABHA—*Laid*

[English]

SECRETARY-GENERAL: Sir, I have to report the following message received from the Secretary-General of Rajya Sabha:

(i) "In accordance with the provisions of rule 111 of the Rules of Procedure and Conduct of Business in Rajya Sabha, I am directed to enclose a copy of the Citizenship (Amendment) Bill, 2003 which has been passed by the Rajya Sabha at its sitting held on the 18th December, 2003."

Sir I also lay on the Table the Citizenship (Amendment) Bill, 2003, as passed by Rajya Sabha on the 18th December, 2003.

17.19 hrs.

FOREST (CONSERVATION) AMENDMENT  
BILL, 2000  
(Amendment of Section 2, etc.)

[English]

MR. CHAIRMAN: Let us now take up item no. 42.

DR. V. SAROJA (Raspuram): Mr. Chairman, I beg to move:

"That the Bill further to amend the Forest (Conservation) Act, 1980, be taken into consideration."

Sir, the Forest (Conservation) Amendment Bill, 2000 is a need based Bill. I would request the Government of India to come out with a Bill considering all my points, as also the suggestions made by the hon. Members during the debate here. I am saying this because I am sure that the Private Members' Bill may not be passed. Otherwise, the Bill should be sent to a Joint Parliamentary Committee taking the sensitiveness, the importance, and the urgency of this Bill.

Sir, the Forest (Conservation) Act was passed in 1980. Now, 22 years have passed since then. My amendments are necessitated because of my practical experience in the Government service for 18 years, and my political career for 12 years. I am not able to discharge my duty towards the needy people because of that Act. It is a stumbling block. There is no tribal development without forests and no forests without the contribution of the tribal people. The Forest Conservation Act, 1980 totally neglected the welfare of the tribal people. In my amendment of section 2, it states:

"Notwithstanding anything contained in any other law for the time being enforced in a State, *no State* or

[Dr. V. Saroja]

other authority shall make, except with the prior approval of the Central Government, any order directing that any reserved forest within the meaning of expression 'reserved forest', in any law for the time being in force in the State, any portion thereof, shall cease to be reserved, and any forest land or any portion thereof may be used for any non-forestry purposes."

For the benefit of the hon. Members, I would like to define what 'non-forestry purposes' means. 'Non-forestry purposes' means,

"Any diversion of the forest land, including privately owned forests, for any non-forestry purposes would require prior approval of the Government of India. Non-forestry purposes include cultivation of tea, coffee, spices, rubber, palm, other horticulture and medicinal plants."

Sir, this is going to have ill-effects on the tribal people and on the forest produce. Not only that, it is standing in the way of the objective of the Forest Conservation Act as well as the developmental activities of the State. This is not the problem of an individual, this is not the problem of one State, but this is the problem of whole country. India is still a developing country and my observation is, and it is not out of place for me to say so, that in North and North-Eastern States, this Act is coming in the way of undertaking developmental activities. Due to the ill-effects of this Act and because of the tedious procedure involved in getting the clearances from the Government of India even for undertaking common developmental activities or for providing basic amenities for the poor and the downtrodden, this Act is coming in the way.

I would like to point out here—most of the hon. Members here are very learned Members—that they would have experienced the ill-effects of this Act. I would also like to go on record to show to what extent this Act is coming in the way. I may be permitted to quote one example from my State. There is one hydro project, namely, Parambikulam-Azhiyar Project, which is a mega-project. The project authorities are not able to get forest and environmental clearances because this Act is coming in the way. You may say that we have to get these clearances. Why should there be any delay in this? I would say that getting the clearances from the Government of India is not a simple procedure. There are so many rules and regulations. If any forest land is to be used for 'non-forestry purposes', there are many

rules. Even to provide drinking water facility, to lay the roads or even to provide day-to-day basic amenities, we have to apply to the Forest Range Officer of the local area. Then, we have to go to the District Forest Officer. From the District Forest Officer, the proposal should go to the Principal Conservator of Forests of the State Government.

Then, it has to go to the Government of India. This is only for the small developmental activities.

All these things take a lot of time and in reality, the people are not getting the benefit which is due.

Sir, for bigger projects, if one has less than one acre of land, he need not take the clearance from the Government of India. But it is not that all projects require small amount of land. There are bigger projects also.

For getting the projects cleared, there are two phases. In the first phase, the projects from the State Governments go to the Government of India and they have to issue directions. Added to this, there was a compensatory mechanism. Whenever we wanted to take forest land, we had to give the equal amount of land for afforestation. Then only the clearance was being given earlier. But now, after the recent judgement of the Supreme Court, there is the net value which will be fixed by the Government and which will be paid by the State Government. So, we have to take the clearance from the Government of India. Then, there is the second phase of clearance.

If such is the rule, do you not think that there is a need that the rule is modified? The Act is there for the welfare of the people to deliver the goods at the appropriate time without any dilution. The main purpose is defeated in this Bill.

With these few lines of my introductory speech, I give the floor to the other hon. Members. I will give my observations after the hon. Members give their suggestions.

MR. CHAIRMAN: Motion moved:

"That the Bill further to amend the Forest (Conservation) Act, 1980, be taken into consideration."

SHRI E.M. SUDARSANA NATCHIAPPAN (Sivaganga): Mr. Chairman, Sir, this initiation of the Bill is in the new environment as there were a lot of complications on the part of the State Government, District Panchayat and also at the panchayat levels.

First, we had the Forest Act enacted in 1927. Then, it was enacted again and we had the Forest (Conservation) Act, 1980. We had to enact it because of the fact that vast trees and forests were being felled down by the local people, and the forest wealth was getting stolen away by certain groups of people. At that time Shrimati Indira Gandhi, the then Prime Minister of India, as a protector of forest and natural wealth, as a great leader who was brought up by the first Prime Minister of India, Pandit Jawaharlal Nehru, to love the nature and preserve the forest, enacted this particular Act—the Forest (Conservation) Act, 1980.

This Act is a very simple Act. It can be covered within two pages. Before that, it was not having a full-fledged enactment and it was the need of the hour to enact it because the entire country was faced with the devastation of forests; the forests were not being preserved by the local people. The forest wealth was being stolen away, and the State Governments were not helping the conservators to preserve the forest wealth. Subsequently, all the State Governments, whenever they wanted to do rehabilitation of tribal people or wanted to provide electricity at their doors, houses and streets, needed permission from the Government of India. In the same way, many of the tribal areas and forests were having tribal people habitation where they had to put up their own construction.

Previously they were having environment-friendly houses, nursery places, schools and hospitals. But subsequently when modernity has come, they brought materials which are not environment-friendly, but at the same time, they were accepted by other people since those materials were the need of the hour so that people develop to modernity.

The tribal habits were changed; they wanted to get educated; they wanted to go to schools, colleges, professional colleges, universities, etc. They wanted to be a part of the Government of India and a part of the State. They wanted to become Government servants; they wanted to become professional people or business people. So, they brought modernity into the forests. They wanted to have modernity inside forests and so, there is naturally a need for proper roads, pucca roads. And all other facilities were clubbed along with that.

At that time, they wanted to get the permission from the Government of India; the procedure was very lengthy. They had to go from one office to the other. Due to that, the subsequent Governments have created regional offices

so that the regional necessity can be fulfilled at that stage itself. Here, the governing of India became a very complicated affair. Sitting in Delhi, one cannot have total control on forests. So, the thinking of the country has changed.

After Rajiv Gandhi's Panchayati Raj pronouncements, the rights of the common people, of the tribals who are living in forests or in villages have grown; they became duty-bound. So, they have a duty to protect forests; the rights of protecting forests were given, by the Constitution Amendment, to the Panchayats or the local people in the *Gram Sabhas*. The *Gram Sabhas* have to protect the forest wealth and they have to get benefits too.

The Bio-Diversity Bill was brought forward by the hon. Minister, T.R. Baalu, during his period; it is an epoch one. In that Act itself, more power were given to the *Gram Sabhas*; *Gram Sabha* people could get benefits by bio-diversity which was available for them. They can be given to foreign countries by way of export of medicinal herbs; they could get monetary benefits; they could share the profits with the *Gram Sabhas*. That was the gist of the enactment of the Bio-Diversity Act which was appreciated by all the sections of the people.

When this is the case, the total demand of the local people has changed; and the right to protect the forests has now percolated down to the people who are living in those areas. Should we have powers even now in our hands? Are we to give powers as per the Constitution Amendment and as per subsequent enactments made in the State Legislatures? This is the question which is facing us.

Many of the Chief Ministers have replied to the letter sent by the hon. Chief Minister of Tamil Nadu Ms. Jayalalithaa, asking for help and coordination to protect the interests of the State Governments. One letter was sent by the Madhya Pradesh Chief Minister, Shri Digvijay Singh; he has given a very lengthy letter. He enunciates how the local people are asking for certain rights and duties and how, at the same time, the Forest Act is not able to serve the purpose at present.

We, as the Members of Parliament, for the last three years, have taken opportunities then and there, and demanded the Government to come forward with a full-fledged Forest Conservation Act, taking into consideration all the aspirations of the people, the tribal people living in nearby villages and panchayats, etc. That aspect has to be gone into. I hope that hon. Minister, Shri T.R. Baalu will take note of it.

THE MINISTER OF ENVIRONMENT AND FORESTS  
(SHRI T.R. BAALU): What is the date of that letter?

SHRI E.M. SUDARSANA NATCHIAPPAN: 16th August, 2000, much before the request made by the Chief Minister of Tamil Nadu. I would say that this is the opportune time. As environment-conscious society, we should come forward with a clear, mandatory enactment giving right to the people. The law should have less regulation, less supervision but more responsibility on the people who will get the benefits.

Even in my constituency, for laying roads, which is the necessity, we have to go here and there and finally we are told that we cannot have the road linking the villages running into the forest area. This has to be looked into. I am not speaking on political lines. As a citizen of a State of India, I would like to request the Minister. Whenever regional parties are coming to power at the national level, they forget the demands of their respective regions. While in the State, they will say that power is concentrated more in the Central Government and that they need more power, more autonomy and more rights, but as soon as they become a part of the Cabinet at the national level, they forget about the State. Of course, they have to have national perspective. I would say whenever a demand comes from the local people and if it is good for them. *...(Interruptions)*

SHRI T.R. BAALU: You cannot make general remarks. You should ask questions so that I can take note of them and answer them in the end.

SHRI E.M. SUDARSANA NATCHIAPPAN: To meet the demands and aspirations of the local people, the Centre has to help the State. We have seen how a number of Members of Parliament from Kerala have been demanding for a High Court at Thiruvananthapuram. The same spirit should be there for every State and all the States should get benefit from the Government of India. *...(Interruptions)*

SHRI T.R. BAALU: I request the Member to speak on the Forest Conservation Bill. *...(Interruptions)* It is not within the scope of the Bill.

SHRI E.M. SUDARSANA NATCHIAPPAN: Kindly bear with me. I am coming to the points one after other so that you do not get emotional. I am speaking much within the scope of the Bill. The Minister is very emotional and I want to first cool down his emotions. *...(Interruptions)*

MR. CHAIRMAN: Please come to the Bill. It is not within the scope of the Bill. You are not giving any suggestion to the Minister.

*...(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: I would now say that certain people may not accept having the new State capital Secretariat building near Marina Beach. *...(Interruptions)*

SHRI T.R. BAALU: In what way is it relevant to the discussion? *...(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: I should not be interrupted like this. *...(Interruptions)*

MR. CHAIRMAN: You are diverting from the issue.

SHRI E.M. SUDARSANA NATCHIAPPAN: I am coming to my next point. If I am not within the rules, you can expunge my speech but I should not be stopped like this from putting my argument.

MR. CHAIRMAN: Your arguments should be relevant to the discussion.

SHRI E.M. SUDARSANA NATCHIAPPAN: They are totally relevant, Sir. You will accept it.

The hon. Minister, representing Tamil Nadu here, should protect the interest of the State.

MR. CHAIRMAN: He is representing India and not Tamil Nadu. He belongs to Tamil Nadu.

SHRI E.M. SUDARSANA NATCHIAPPAN: Sir, he is elected from South, Chennai.

SHRI T.R. BAALU: The hon. Member can discuss anything withing the subject matter. *...(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: The hon. Minister should not be in a hurry. There is another flight at 8.00 o'clock. He can go by that flight. I am coming to the subject.

MR. CHAIRMAN: Time is running short. Other hon. Members also have to speak.

SHRI E.M. SUDARSANA NATCHIAPPAN: Even in the discussion on the Private Members' Bill, you are restricting the Members. What can we do? We can

understand your rushing through the Government business. If I am not within the bounds, you can stop me. I will not go beyond the limits.

The hon. Minister was kind enough to stop constructing a building by citing certain regulations, like no construction should be there within 500 metres of the seashore. It should be within the limits. Therefore, it was stopped. Subsequently, the State Government had come forward for putting up the Secretariat at another place. That was also stopped by the Forest Protection Act.

SHRI T.R. BAALU: It is not relevant to the Forest Conservation Act.

SHRI E.M. SUDARSANA NATCHIAPPAN: Whenever there is a demand from the people for generation of electricity in a particular place or for taking electricity to the villages or for taking the roads to the villages or for putting up hospitals or schools, this enactment should not be a hurdle. We should help them to create an atmosphere so that we could protect the forest wealth also. The forest wealth should not be taken away. At the same time, people's demand should also be fulfilled. Therefore, I request the hon. Minister to think about this particular piece of legislation which may not be a very lengthy one. It could be focussed on certain aspects. It cannot be a full law. At the same time, I would request the hon. Minister to come forward with a Bill in this regard in the next Session itself. I would also request him to convene a meeting of the Chief Minister as well as State Forest Minister.

SHRI T.R. BAALU: Sir, he is going to conclude his speech. I want to know how the matter regarding construction of Secretariat is relevant to this Bill. He has not mentioned anything about the Bill. ...(*Interruptions*)

SHRI ADHIR CHOWDHARY (Berhampore, West Bengal): You should not be so impatient.

SHRI E.M. SUDARSANA NATCHIAPPAN: Therefore, I would request the hon. Minister to show the same enthusiasm as he had shown in the case of Bio-Diversity Act.

I would once again request him to convene a meeting of the concerned Ministries as well as all the Chief Ministers and the State Forest Ministers. I would also request him to come forward with a new legislation which will help in protecting the forest wealth as also the interest of the tribals and the people living in nearby places. They should be provided all the social amenities and

obligations which are guaranteed in the Constitution of India.

SHRI KHARABELA SWAIN (Balasore): Sir, the Forest Conservation (Amendment) Bill piloted by Dr. V. Saroja intends to have basically three provisions. The first provision is that the Central Government shall not withhold its approval for deforestation if the forest land to be acquired is for public development works such as construction of roads, drinking water schemes, laying of telegraph or telephone lines or any other development scheme for the benefit of the general public. The second provision is that the approval of the Central Government shall not be required if the forest land to be acquired for the purposes as provided in the first proviso is ninety hectares or less. Thirdly, she wants that the schemes approved by the State Governments and sent to the Central Government for approval should be disposed of by the Central Government within one month of their receipt.

Sir, I fully agree with here that in a number of cases the clearance for any developmental work is being delayed for a pretty long time. Sometimes it is abnormally a very long time for which Members of Parliament or other public representatives have to intervene for getting the projects cleared. I fully agree that most of the times the clearance is delayed. Even for drinking water scheme or for laying a road or a telegraph line or a telephone line, the clearance is delayed.

I do not want that such a long time should be taken for giving clearance. The same thing happened in my constituency for drainage of water through various lines. I paid the money but it could not be implemented because the clearance was not given. I had to withdraw the money and I had to implement that project in some other place. So, I fully agree with Dr. Saroja that the Central Government should not withhold the clearance for such purposes.

Sir, the hon. Minister will agree with me that the best thing a Government can provide to the people is good governance. That is the only thing which returns a party to power time and again. Excepting this factor of 'good governance', there is no other issue that helps to fetch votes for a Government again and again. So, I fully agree with the views of Dr. Saroja that clearance should be time-bound. A time should be fixed by which the Central Government should give the clearance.

But I do not agree with the proposals that she has made with regard to quantifying the area. She said that

[Shri Kharabela Swain]

if the area is 90 acres or less than that, then it should not come for clearance to the Central Government. I do not agree with this. Shri Natchiappan and Dr. Saroja have mentioned about the necessity for bringing about the Forest Conservation Act. Now, if one visits the European countries, then one would find on-board a flight that there are forests everywhere. When one alights from the flight and physically looks at the forests, then one would discover that those are not natural forests but forests made through human endeavour. The Governments of the European countries have seen to it that there are forests everywhere.

Sir, it is said all the time that human beings should survive and for the survival of the human beings, we need roads, we want development, we want drinking water facilities and all such things. But my question is, will humanity survive if the flora and fauna of the world is eliminated? What sort of a world do he want to leave for our children? Would we want to leave only deserts for our children? Would we like them to live in a world where there would be no trees, no animals, no river? Would we like to leave a world like that for our posterity?

Sir, for survival, a country needs 33 per cent of forest cover. But in a State like Orissa which is supposed to be full of forests because of this high tribal population, I can tell you that it has a forest cover of only a little more than 19 per cent. It has 22 per cent of tribal population and including the Scheduled Caste and Schedule Tribe population, it constitutes 42 per cent of the total population of Orissa. On paper it is shown that the State has 32 per cent forest cover but if you go for a physical verification, you would find that it is less than 19 per cent. Most of the times we argue as to where these tribal people will go. It is for the interest of the tribals that they should be allowed to remain inside these forests and they should be allowed to cut trees.

Is it a systematic argument? Why were the tribals remaining in the forests earlier? They were staying in the forest area because they were totally poor and did not have any land to stay outside the forest. But is the situation same today? Is it necessary and mandatory that the tribals will stay only in the forest areas? Why should they stay in the forest land? That is my argument. If the Government is willing to provide land outside the forest area, it should be provided. The forest should remain totally free of any habitation. Otherwise, the plants and animals will not survive. If you see the whole world today, you will find that the forest land is being destroyed not in the developed countries but is destroyed only in the

Third World Countries and the Least Developed Countries (LDCs) like Africa, Latin America and other poor countries of Asia. It is the poor, in the name of development, who are totally destroying the trees, the flora and the fauna. So, this very particular point has to be understood.

Shri Natchiappan raised a point regarding the coastal regulatory zone. In the coastal regulatory zone, it has been provided that within 500 metres of the high tide zone, there should be no commercial activity. But if you go to the coastal areas of States like Orissa, West Bengal, Andhra Pradesh or Tamil Nadu, you will find that shrimp farming has become a money spinner. I do not know why it is being called as farming. They say that it is farming. What sort of a farming is it? What sort of cultivation is shrimp cultivation? This is the only activity in the world which quadruples your money in only three months. All the relatives of the politicians, the high officials and the businessmen, just to earn money very quickly, have got themselves involved in this shrimp farming. This is destruction incarnate. This has totally destroyed paddy cultivation and cultivation of other crops in the world. It has totally ruined the coastal zone of Thailand and Philippines, and it is going to destroy India also. It's poison has gone very deep into the roots of the source of drinking water. The drinking water of the coastal areas of most of the States which I just now mentioned have become poisoned. In some villages, they are bringing drinking water from outside by tankers. Why is the rule not being implemented strictly? I would just appeal to the hon. Minister for Environment and Forests to see that the rules regarding the coastal regulatory zone are implemented.

MR. CHAIRMAN: Please conclude.

SHRI KHARABELA SWAIN: Sir, please give me some more time to speak. I have spoken for about seven or eight minutes only. If it may not be completed today, it may be taken up on another day.

MR. CHAIRMAN: Only two hours are allotted for this Bill and there are other Members also to speak.

SHRI T.R. BAALU: Sir, I am sorry to interrupt at this stage. I have to reply today itself because I just cannot go away without answering the hon. Members. Moreover, there will be no Session next Friday. If I do not reply today, there is no use of discussing it today. If you allow me to reply today, the discussion may go on. Otherwise, there is no use of it. ...*(Interruptions)*

SHRI RAMESH CHENNITHALA: Sir, the Private members' Business started at 4.15 p.m. So, there is enough time available.

MR. CHAIRMAN: There is no time available, Shri Chennithala.

SHRI T.R. BAALU: Let us complete the discussion today itself. There is no problem in it. ...(*Interruptions*)

MR. CHAIRMAN: Time is limited. There are six more hon. Members to speak and there should be the reply also. Later, there is a Half-an-Hour discussion also.

SHRI KHARABELA SWAIN: The initiator of the Half-an-Hour discussion is not here. Nobody knows whether he will come or not. ...(*Interruptions*)

SHRI KODIKUNNIL SURESH (Adoor): He will come.

SHRI T.R. BAALU: I think it is better to finish it today itself. ...(*Interruptions*)

SHRI KHARABELA SWAIN: Sir, please tell me in how many minutes I should finish my speech. Shall I take two more minutes? I will conclude.

MR. CHAIRMAN: Please conclude now.

SHRI KHARABELA SWAIN: I will conclude. ...(*Interruptions*)

DR. V. SAROJA: Sir, I take very strong objection to it. I think, the hon. Minister is taking the Bill very lightly. I think the Chair is also taking this Bill very lightly. That is my observation. If you do not want to discuss this Bill, that is a different matter. I feel that the Bill has got its importance. Though the legislation is a very small piece of legislation, yet it has far-reaching effect. The effect will be there. It is not that it is a Forest Conservation Act of just one line. In that case, will the hon. Minister give me an assurance that he would give clearance right now to all the projects that I have mentioned? If he does it, I will withdraw my Bill.

MR. CHAIRMAN: The hon. Minister will give reply to your points.

DR. V. SAROJA: I am expressing my views.

MR. CHAIRMAN: You have expressed your views. Please sit down.

SHRI T.R. BAALU: I am here to give reply to each and every point raised by the hon. Member. ...(*Interruptions*)

SHRI KHARABELA SWAIN: Are we entering into a debate just to get some projects cleared? Will she be satisfied with only some projects that are cleared? ...(*Interruptions*) There is no need for me to speak at all. It is very much surprising. ...(*Interruptions*)

MR. CHAIRMAN: The time is very limited. Hon. Members have to stick to time. there are six more Members to speak. So, please bear this in mind.

SHRI KHARABELA SWAIN: I am completing it within two minutes. I will not take much time.

Coming to the point, my suggestion is that for the survival of the world, there should be very strict adherence to the rules pertaining to the conservation of forests, conservation of flora and fauna. I very strongly feel that if a tree is supposed to be felled, it should be compensated by providing other land where there could be afforestation, where trees could be planted. I also very strongly feel that the rule should be strictly implemented. The rule is already there. In the name of development, it should not be dispensed with.

I have two more suggestions to make. I told you that I would take only two more minutes.

What incentive would the Government give to the people who go in for afforestation? My appeal to the hon. Minister is this. If any Member of Parliament is trying to give some money from the MPLADS for the afforestation project just like any other Centrally-sponsored project, the Centre should also come up with a contribution of 50 per cent. From the MPLADS, 50 per cent money could be given by the Member. So, this is one of my suggestions.

Last but not least, I would appeal to the hon. Minister to implement one thing. In Europe and America, the rules for felling a tree are there. The punishment for felling a tree or for killing an animal is much stricter than for killing a human being. The same thing should be followed in India also so that at least India will survive for longer. Otherwise, India will be finished within another 100 or 200 years.

With these words, I conclude.

SHRI ADHIR CHOWDHARY (Berhampore, West Bengal): Sir, I thank you for giving me this opportunity.

At the outset, I would like to say that Dr. Saroja has brought forward a Bill which inherits a few healthy



[Shri Adhir Chowdhary]

propositions in a right manner. In the Shakespeare's Play *The Merchant of Venice*, Portia told the court that in terms of the contract, Antonio could have his pound of Shylock's flesh without shedding a drop of blood. In reality, it is next to impossible but the wisdom is very much penetrative.

18.00 hrs.

Sir, we all appreciate that civilisation cannot grow without the destruction of natural resources and it has continued over the years. But our modern outlook should be such that we should harmonise our social needs consistent with the conservation of our natural resources.

We live by air, we live by water, we live by healthy environment and furthermore India is a country which is enriched by its bio-diversity and natural resources. About 40 per cent of our energy come from forests and natural resources and we derive 30 per cent of fodder from natural resources.

The mover of the Bill, Dr. Saroja has not argued against conservation of forests. Her argument should not be misconstrued. What he argues for is not to put any hindrance or stumbling block to the developmental needs of the rural poor and the downtrodden people.

Sir, the colonial power, the British had deliberately destroyed our natural resources and forests in order to garner raw materials and other sylvan assets of our country. Now, we are bearing that burden. The colonial hangover is still with us and the burden of management lies with us.

So far as forestry management is concerned, we should explore an effective management method. There are various complexities in forestry management. May I ask the hon. Minister as to who is the encroacher? Can he say by one definition that so and so is the encroacher? No. There are legal categories and there are management categories. In the legal areas, we may include National Park, Sanctuaries etc. In the management areas, we may include the core forest areas, buffer zone, tiger reserves, elephant reserves and so on. So far as forestry management is concerned, I would like to say that harmonisation is very essential.

Sir, India is one of the 12 mega bio-diversity countries in the world with two very rich bio-diversity regions. Sometimes, the Supreme Court give a verdict which may please the environmentalists, but at the same time, the same verdict may endanger the livelihood of the tribal

people. It may cause a sudden termination of their livelihood because still a large number of tribal people are eking out their livelihood from forests. For example, in Bastar District of Chhattisgarh, 64 per cent of the population are tribal people and they earn their bread from forests. So, take the case of North-East. The Supreme Court has issued a verdict due to which nobody can fell the trees. That is all right. It is healthy for environment. But it also brings about sudden termination of tribal population. Now what are they doing? These tribal people have started peeling off barks from the trees. They have shifted cultivation to other areas. Naturally, this phenomenon is also detrimental to the conservation of forests.

In India out of 5.87 lakh villages, nearly more than 1.70 lakh villages that have forests as land use. They used to live in and around the forests. Now those people are really in a great quandary due to the demarcation of various categories of forests. We can say that the tribal people are to be thrown out from the villages to make accommodation for them. It is not America. More than 83 per cent people in America used to live in the cities. The urban population in that country has gone up to more than 83 per cent. Here in India, it is nothing but a dream. We can not afford to be hovering in the realm of dreams at present.

The Union Government by a draft Notification has directed that any industrial project, commercial project or housing project which may generate more than 50,000 litres of sewage should be brought under the purview of the Central Government's permission. We know that now the entire country is being ruled under the decentralised regime. In so far as decentralisation is concerned, would this kind of Notification not be interpreted as an infringement upon the prescribed legal authority of a State Government? Everybody knows that the kinds of clearances, as have been prescribed by this Notification, are replete with procrastination. Tardiness and delaying methods always hinder the progress of an area in so far as development is concerned. Therefore, this kind of draft should be prepared in such a simplistic way that it would not make any encroachment upon the authority of a State Government. In the Goda Burman case in the Supreme Court, so many complexities had arisen which need to be sorted out in a very national manner. The forest dwellers have been identified on a temporal classification relating to pre-1980 and post-1980. There are numerous categories of forests—reserve forest, village forest, buffer zone, demarcated, underdemarcated, etc. We are all pleading for the conservation of forest. There is no

denying the fact. We are all one with it because throughout the world it has been proved that due to the over exploitation of natural resources, the entire humanity has been suffering from various kinds of illness.

Sir, in India, 41 per cent of forest has been degraded. We know the greenhouse effect; forest helps in sequestration of carbon and carbon sinks?

MR. CHAIRMAN: Please conclude now.

SHRI ADHIR CHOWDHARY: All right Sir. Therefore, I urge upon the hon. Minister not to refuse the proposal in an audacious manner. Her proposal and her contention must be considered so that we can make out a rationale approach to the concern of the State Governments because all the State Governments are suffering on account of various kinds of discrimination. Sometimes, the Central Government also does it voluntarily.

\*SHRI K.K. KALIAPPAN (Gobichettipalayam): Hon. Chairman Sir, I would like to thank the Chair for giving me an opportunity to speak on this Bill. I extend my support to this Amendment Bill moved in this august House by my esteemed colleague Dr. V. Saroja which seeks to amend further the Forest (Conservation) Act 1980. Sir, it is true that we must take steps to preserve our natural wealth like forests. We need to conserve them. But we must take care to see that our zeal to protect forests should not deprive our people by way of affecting developmental projects.

Sir, in Tamil Nadu under the dynamic leadership of Dr. Puratchi Thalaivi Amma the Government of Tamil Nadu is conceiving and implementing several developmental projects for the welfare of the people. But unfortunately the Forest Act comes in the way of implementing welfare schemes and developmental projects in the remote villages of Tamil Nadu. It is needless to mention that both the Union Government and the Central Government have been elected by the people. We have a duty to serve the public who has chosen to elect us. As far as our leader is concerned she goes about with an approach that serving the public is like serving the god. Whether it is Chief Minister or other Ministers as far as our party and our Government is concerned public service is next to godliness. This was emphasised by our founder leader Dr. Puratchi Thalaivar. Our later lamented leader Perarignar Anna had emphasised the need to have a federal set up at the Centre with autonomy to all the States. But what is happening today

is to the contrary. The present Central Government and the Minister in charge of Forests seek to have all the powers with them thereby hampering the development work in Tamil Nadu putting hurdles and throwing spokes.

Several well conceived plans brought about by the leader of our hearts Dr. Puratchi Thalaivi Amma have to meet with hurdles at the hands of the Centre. The Minister at the Centre failed to see that those schemes and projects are brought about only to benefit the people of Tamil Nadu and it is all for a common cause in public interest. But it is lost sight of and I urge upon the Union Minister concerned to have a re-look at it so that no hurdles are put in the way of developmental work that are to be carried out in public interest. It must be noted here that the Governments of Kerala, Maharashtra and Rajasthan and also the administration of Andaman have all expressed their support to the serious concern expressed by the Tamil Nadu Government in giving overriding priority to developmental work than merely putting hurdles in the name of preserving forests.

Though both the Governments are elected by the same people the developmental projects meant for those people are hampered by the over zealous Centre. Even after our leader Dr. Puratchi Thalaivi Amma the Chief Minister of Tamil Nadu wanted to impress upon the Centre through her letters, it has not been heeded to. The Minister at the Centre is going about in his own way ignoring the loss caused to the people of Tamil Nadu.

I would like to bring to your notice the status which is available in my constituency Gobichettipalayam. There is a vast forest area in my constituency. There are several villages and hamlets situated in the remote area in that hilly terrain. I am afraid that much of misuse and abuse and high-handedness is perpetrated in the name of Forest Conservation Act. Rural roads could not be laid to connect remote villages. That way public utility services could not be taken to those villages. I urge upon the Union Government not to cause inconvenience and come in the way of well conceived developmental projects.

The Pykara hydel project situated in Nilgiris generates power and there is a problem to transmit power to the needy villages and the unelectrified hamlets in my constituency. In the name of Forest Act laying of transmission lines has been shelved. Any Statute or Act should aim at helping the people and serving their interest and no law should be misused by any self centred people

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\*Translation of the speech originally delivered in Tamil.

[Shri K.K. Kaliappan]

to come in the way of developmental projects that are drawn to benefit lakhs of people living in rural areas specially in remote areas. Thalavadi, Kadambur and Kundur, Nattambalayam are in the Anthiyur and Bargur areas. Thalavadi panchayat has got more than 60 thousand people. Anthiyur panchayat union has got more than 2 lakh of people. As far as Kadambur is concerned there are 4 panchayats. Anthiyur and Bargur have got several villages and hamlets in a widely spread area. These people who live in this hilly terrain numbering about 2 lakh and more are deprived of essential needs just because the over zealous and stringent implementation of Forest Conservation Act.

I would like to urge upon the Union Government and especially its Forest Minister not to come in the way of developmental programmes. This Forest Conservation Act that hampers the growth and development of several backward villages in Tamil Nadu. As far as Union Minister of Forests is concerned it appears that he is over zealous in the name of preserving forests to put spokes in the well meaning schemes sought to be implemented by the Government of Tamil Nadu. I do not know how the coastal areas and sea shores come under the ambit of this Act. Even after 6 or 7 State Governments have expressed their support to the concern expressed by the Tamil Nadu Government, the Centre seeks to ignore the need of not coming in the way of certain urgently required public utility schemes like the beautification of Marina Beach that is considered to be one of the biggest beaches in the world. The vast stretch is sought to be beautified and developed to add value to its tourist potential. But in the name of the Central Act hurdles are sought to be put. I am afraid the Minister at the Centre is partisan and I do not know why he seeks to put hurdles for the well connective schemes. The Ministers in the State do not seek to vanquish the forest there. They do not seek to denigrate or desecrate the sacred laws we have but still several backward villages have to languish for want of developmental facilities and activities.

I urge upon the Union Forest Minister not to bring about so much of hurdles and I also urge upon him to change his approach towards the proposals for projects and schemes for the welfare of the people of Tamil Nadu. I would like to categorically state that there must be an end to fomenting trouble and causing hurdles to several of the developmental schemes that are brought about by the goddess of our hearts and the darling of the masses Dr. Puratchi Thalaivi Amma, the Chief Minister of Tamil Nadu. Expressing once again my support to the Bill brought about by Dr. V. Saroja, let me conclude my speech.

SHRI RAMESH CHENNITHALA (Mavelikara): Sir, I rise to support the Bill which is introduced by my hon. colleague Dr. V. Saroja.

Even through I am supporting the spirit of the Bill, I would like to say very emphatically that the forest wealth of our country should be preserved. Sir, the sustainability is not an option but an imperative, and for a better world to live, we need good air, pure water, nutritious food, healthy environment and greenery around us.

Sir, if this kind of an Act was not in existence, what would have been the situation? The forest cover is coming down drastically every year. Basically, the subject of forest is under the concurrent list. The conservation of forest is the main and most important duty of every Government. Unfortunately, this forest cover is coming down because we are not taking this aspect very seriously.

Sir, as Shri Sudarsana Natchiappan rightly pointed out, the then Prime Minister Shrimati Indira Gandhi was very particular about the Forest Conservation Act, 1980. After that, Shri Rajiv Gandhi also had very seriously taken this issue and enacted an Act which is very stringent. Now, everybody is asking for the amendment of this Act. If you amend the Act, I am 100 per cent sure that the forest cover will come down drastically. Thanks to the Supreme Court judgement on the tiger projects and other areas, there is a total ban on forest land to be used for non-forest purposes. Even though, we, the Members of Parliament, are demanding for more forest land for roads, construction purposes and other needs, the Government of India and the Ministry have taken a strong view because of the Supreme Court judgement.

The forest wealth is very important as far as our environment, preservation of our heritage and preservation our culture are concerned. So, on that account, we must be very careful. The forests play a very important role in the environmental economic sustainability. They provide numerous goods and services, mainly life support system essential for the life on the earth.

18.22 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

The hon. Minister Shri T.R. Baalu knows that we had an international conference on the increasing global heat. The environment is changing. A lot of far-reaching changes are taking place in the globe, especially heat is one of the prime concerns of the world community. This is because of the environmental degradation which we

are experiencing today. We are talking about green house effect and other things. The growing stock of forest resources is 470 million cubic meters.

I urge upon the hon. Minister of Environment and Forests to come forward with a national master plan for integrated forest protection. That is most important. The 10th Plan is proposed to give thrust to the aspect of forest development and forest management. Even though we are giving more emphasis on greening India programme, we have to evaluate the results also. So many programmes are being implemented under the Ministry of Environment and Forests. Even the Japanese Government is giving more aid. The World Bank and all other organisations are giving more funds for increasing the forest cover. What is the result that we are achieving? That has to be taken care of.

There are certain positive results. There is some good news for the city of Delhi. On the World Environment Day declared that Delhi is cleaner and greener than ever. While the overall forest cover of the city has gone up, there are some parts like East Delhi and North-West Delhi where there is a little land available for greening. In other places, the forest cover is increasing as a result of these continuous programmes. At the same time, I think we must be very strict on degradation of forest and felling of trees.

Kerala is one State where we are facing a lot of problems regarding this issue. Mr. Minister, you are aware of the tribal agitation which took place at Muthanga in Wayanad district of Kerala. It is of a recent occurrence but it has caught the attention of the whole world.

The tribal agitation was for land and it took a violent turn in the month of February. The Forest Conservation Act prevented the Government of Kerala from allotting land to tribals. The basic issue here is that these people who are a part and parcel of the forest are not able to utilise the forest produce. They are the real sons of the forest. They are the real inhabitants of the forest but they are prevented from getting the benefits out of the forest produce. That is the main grouse against the Government.

The other aspect is that land was not distributed to these people. The Government of Kerala approached the Union Government for allotment of more forest land to these tribals. Recently, the Government has taken a decision to give the Aralam farms for the purpose of distribution of land. This is a welcome step. Instead of giving dense forests, this kind of farm land could be distributed to the tribals.

Dr. Saroja was mentioning about certain construction activities in these areas. Basically, roads have to be constructed. For example, the hon. Minister knows about the difficulties faced by the Sabarimala pilgrims. We have been raising this issue of allotment of more forest land for Sabarimala pilgrims time and again. Recently, there was a fire because there was not enough land and proper accommodation for pilgrims. We are not demanding for too much of forest land. We are asking for land that is permissible for use by the pilgrims. As Members of Parliament, we are also responsible people.

Shri O. Rajagopal, Shri Francis George and I—a three-member committee, visited this area. We have seen the dense forests and the tiger project. We actually objected to any kind of construction in these areas but at the same time permission should be given for tapping water and providing other allied facilities to the lakhs and lakhs of pilgrims coming from different parts of the country. There should be an eco-friendly approach and construction activities should come down. We cannot permit more and more construction activities in the forests but at the same time when we are preserving these forests we have to think about the tribals, their social needs and aspirations. Otherwise, such violent incidents would take place.

I congratulate the hon. Minister of Environment and Forests because whenever there is a demand he is considering it. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: Everybody compliments him.

SHRI RAMESH CHENNITHALA: He has got his limitations. Today, we have the Supreme Court's directions. If he were not strict, there would be no forest land. Everybody is asking for forest land. As Shri Kharabela Swain rightly pointed out, the forest land would become a desert if all such demands are met. We cannot agree to that. At the same time, there should be a rational approach.

Our country is rich in forests and in bio-diversity because our cultural heritage is totally attached to forests and environment. So, we must be very clear in our thinking. We have to keep in mind the interests of the future generations. So, a pragmatic approach should be adopted. I think, Shri T.R. Baalu, the hon. Minister has, for the last four years, adopted a pragmatic approach on this subject.

Regarding Sabarimala pilgrims, when the former Speaker, Shri G.M.C. Balayogi, called a meeting, he gave

[Shri Ramesh Chennithala]

permission for parking and drinking water purposes. He objected only to construction of four-storeyed buildings. We also did not agree to that. We have to have roads for providing proper access to the tribals for going to other places. We can agree to that, but we cannot agree for a road in the widely national highway to be constructed through the forests. What is the need or that? Earlier it was forests in certain areas, but now there is no forest. It has almost become towns and cities, but in the record it is mentioned as forests. We have to think about that. For example take Munnar and Thekkaday towns. These are not forests. They have become cities. Once upon a time these people have encroached into these areas and they are staying there. A lot of business activities and construction of buildings are taking place. These have all become cities and towns and these cannot be considered as forest land. But, at the same time, we have to preserve our forest land. I think, the hon. Minister has taken a very pragmatic approach.

Shri Sudarsana Natchippan and all my other colleagues were saying that a comprehensive Bill should be brought before this House. I think, whatever Bill we are preparing, it should be very stringent. You should be very careful in this aspect; otherwise there would not be any forest land available in our country because everybody is interested in encroaching upon the forest land. Nobody is interested in having more forest land.

There are so many programmes. I wanted to know whether these programmes are taking place or not. There are so many programmes undertaken by the Ministry of Environment and Forests in the record. I would like to know about the private forestry initiatives—whether it is taking place or not. Crore and crore of rupees are spent on this and external assistance is also coming up. Forest plantations are there and so many other programmes are there to increase the forest cover. But what is the result? So, the Ministry of Environment and Forests should do an evaluation. All these aspect should be given due consideration by the Ministry of Environment and Forests, by the entire House and through the entire House by the entire country. It is a very serious issue. So, there should be a pragmatic approach and we should not act hastily. I do not approve of my colleague, Shri Sudarsana Natchiappan's view point. Shri T.R. Baalu is a Union Minister. Of course, when he is a Union Minister then he has to see the country as a whole, not as a DMK Leader, as a Leader of the State, but he has to see the entire country. When the hon. Minister is in charge of a particular Department, then he has to see the welfare of the Department and he has to see the welfare of the nation.

So, the natural wealth has to be protected. It is the duty of the Central Government. If the Central Government will be liberal, then, I am afraid, there will be less forest cover in our country and that will be detrimental for the generation to come.

[Translation]

SHRI MANIKRAO HODLYA GAVIT (Nandurbar): Mr. Deputy Speaker, Sir, I wish to express my view on the Forest (Conservation) Act, 2000 introduced by Dr. V. Saroja in the House.

MR DEPUTY-SPEAKER: Gavit ji, kindly ask question in the form of clarification instead of delivering speech on this subject, only then the Minister would be able to give reply.

SHRI MANIKRAO HODLYA GAVIT: Sir, I would not deliver speech.

Mr. Deputy Speaker, Sir, Dr. V. Saroja has given her views with regard to the Bill, the Forest Department can make considerations over it, but we should be concerned about the entire country. I myself, am a tribal and the Sardar Sarover Project is in my area Gujarat and also in Maharashtra and Madhya Pradesh. for implementing irrigation projects in the country the forest land is acquired and in lieu of that the Forest Department gets land as also compensation from the State Governments. So that afforestation could be done with what on the land they get from the Revenue Department, but the local officers do not pay any attention towards afforestation. Deforestation is on the increase in the country. Funds required to be spent by the Government on afforestation are not being spent. All forest officers discuss about the forest conservation Act, 1980 but no one gives any consideration towards afforestation. We are tribal people. I do not know about other States but a Forest Conservation Committee has been constituted in Maharashtra. And forests are properly being conserved there with the cooperation of the people. It has become possible because local people are extending their hands. But this does not appeal to the officers of Forest Department. They do not extend their help in this regard. I request the hon. Minister to convene a meeting of all Ministers of various States. They should be told about the Forest Conservation Act and in forest produce. It has been my personal experience that Forest Officers do not pay anyheed towards this direction.

Forest land is being encroached upon these days but blame is put on the tribal people. We are of course

tribals and live near the forests. I have a small piece of land. Some people take money and give the land on 'Patta' (lease). Forest Officers do not at all pay any heed on this issue. They do not pay visit to the forest, as a result of which encroachment is taking place which should be stopped. We all are of the same view.

Rainfall occurs very irregularly now a days which results in drought at some places due to which the environment is not being protected properly. There should at least be 33 per cent of forest land but it is not so in the present times. Earlier we used to watch wild life in forests, but now they are seldom seen. People are not responsible for this. All this is happening due to the mistake of Forest Department Officers at the lower level. They never pay any visit to the forests, nor do they check the plantation process in the forest. Forest Conservation Committee have been constituted, due to which we can find some forest area at least. There is a case in the Supreme Court for regularising the land encroached between 1972 and 1978 before the enactment of this Act. The Supreme Court had also given verdict on giving land to many people on lease but the officers of Forest Department did not pay any heed towards the land encroached between 1972 and 1978. I am mentioning about incidents of Maharashtra.

My constituency is Nandurbar, which is a tribal area. I belong to that area. Tribals had committed no fault. I would repeatedly say that the officers of Forest Department are not giving any consideration towards this issue. The amount of compensation received for the land taken for implementing the irrigation schemes of the Government should be spent on afforestation process but it is not being done so. I request the hon. Minister to give consideration in this direction.

Mr. Deputy Speaker, Sir, I support the Resolution introduced by Dr. V. Saroja demanding the Government to provide road, power etc.

*[English]*

MR. DEPUTY-SPEAKER: Now, for this Private Members' business, the time allotted was two hours and thirty minutes and that time ends at 6.40 p.m. There are three to four more speakers who want to participate in this discussion. Therefore, this can be carried on to the next Session.

SHRI T.R. BAALU: I have to reply to it. I will intervene and, then, you can postpone it to the next

Session. I will now just intervene and the final reply will be given by me afterwards. I have to intervene now.

MR. DEPUTY-SPEAKER: My difficulty is that we have allotted two hours and thirty minutes for this Private Members' business.

SHRI T.R. BAALU: I agree with you, Sir. I will only make a short intervention and it is a matter of ten minutes. After that, the hon. Member, Dr. V. Saroja, has to speak. I want to reply for, at least, 10 to 15 minutes today itself. You can extend the time accordingly. I only need 10 to 15 minutes today itself.

MR. DEPUTY-SPEAKER: You are a senior Minister and you should know our difficulties. For this Private Members' business, the time allotted is two hours and thirty minutes. We cannot extend the time.

SHRI T.R. BAALU: If the Chair is so strict, I am not questioning your decision, and thinks that the allotted time of two hours and thirty minutes is over, you can postpone it to the next Session. All I want to do is to intervene. The Minister has got the right to intervene at any point of time. I can intervene because I have got the right to intervene at any point of time. That cannot be questioned.

SHRI RAMESH CHENNITHALA: Sir, kindly use your discretion and extend the time by another half-an-hour so that we can complete this business. Otherwise, we will have to postpone it to the next Session. Kindly use your discretion. The Chair can use its discretion.

SHRI T.R. BAALU: Mr. Deputy-Speaker, Sir, a lot of time has been consumed or rather used by the hon. Members on irrelevant issues, I mean, other than those issues which have been raised by her. I have to answer them. I want to clarify the things because many Members have gone beyond the subject matter.

MR. DEPUTY-SPEAKER: The only complication is that this House has decided to allot two-and-half hours time for the Private Members' business, and that is our difficulty.

SHRI T.R. BAALU: That is a matter of the Chair's discretion. The Chair can give me ten minutes or five minutes to intervene on this.

MR. DEPUTY-SPEAKER: Let me take the consent of the House. This is not going to be a precedent.

SHRI BHARTRUHARI MAHTAB (Cuttack): Can we participate after his intervention? We are sitting here for more than three hours just to participate in the discussion.

MR. DEPUTY-SPEAKER: We have also got Half-an-Hour Discussion after this.

SHRI BHARTRUHARI MAHTAB: The Minister is only requesting that he may be permitted to intervene now and he is willing to reply later on.

MR. DEPUTY-SPEAKER: Is it possible for us to complete this business within half-an-hour? Is it the sense of the House to extend the time by half-an-hour?

SEVERAL HON. MEMBERS; yes.

MR. DEPUTY-SPEAKER: Mr. Minister, please confine yourself to the subject. It is not going to be a precedent. It is an exceptional case and, therefore, we have decided to extend the time.

SHRI RAMDAS ATHAWALE (Pandharpur): What about my speech?

MR. DEPUTY-SPEAKER: At 6.40 p.m., as per the convention, immediately after the Private Members' Business, we have to take up the Half-an-Hour Discussion.

...(Interruptions)

MR. DEPUTY-SPEAKER: One minute please.

At 6.40 p.m., we have to take up, as per the convention, the listed item, the Half-an-hour discussion. The hon. Member is not present, and we will try to dispose of it.

...(Interruptions)

MR. DEPUTY-SPEAKER: Just a minute.

The Half-an-hour discussion listed in today's List of Business at serial No. 6 which was to be raised by Shri Naresh Puglia, now will be raised by Shri Madhusudan Mistry as he has been authorised to raise the Half-an-hour discussion on his behalf.

Shri Madhusudan Mistry—Not present.

Now, we will sit for half-an-hour more and finish this item.

This half-an-hour is going to be adjusted towards this Bill.

SHRI T.R. BAALU: Mr. Deputy-Speaker, Sir, I am thankful to the hon. Members. ...(Interruptions)

DR. V. SAROJA: Mr. Deputy-Speaker, Sir, I would like to make one submission.

SHRI T.R. BAALU: I am not yielding. Time and again they are interfering. I am not yielding.

MR. DEPUTY-SPEAKER: Mr. Minister, since the House has given you the consent to extend the time, you should also have some mercy on the House.

There are three more speakers, Shri Mahtab, Shri Athawale and Shri Radhakrishnan. I will ask them to put one clarification each. After that, you may reply.

Now, Shri Mahtab.

SHRI BHARTRUHARI MAHTAB: Mr. Deputy-Speaker, Sir, I was prepared to make a speech here. This is a very important subject. Due to paucity of time, I would be very brief.

I have three couplets to make during the course of my speech. First is: "Vision is the art of seeing things invisible" had said Jonathon swift. Dr. Saroja and Shri Kharabela Swain and many others made very valuable points.

There are three points mainly on which Dr. Saroja has intended to pilot this Bill. They concern both the States and the Centre. The first is: "Provided that the Central Government shall not withhold its approval for deforestation if the forest land to be acquired is for the public development work, such as construction of roads, drinking water schemes, laying of telegraph or telephone lines."

The second is: "Approval of the Central Government shall not be required if the forest land is to be for the purpose as provided in the first proviso, in 1990 hectare of land.

The third is instructive. It says: "Where the scheme approved by the State Government and sent to the Central Government for approval, shall be disposed of by the Central Government within one month of its receipt."

Here, I would like to draw the attention of the hon. Minister and also the Member who has piloted this Bill

that it was in 1980 when the first Forest (Conservation) Act came into existence. This was the effect of the world phenomenon. But before 1980 what was the situation here in our country? What was happening throughout the world. The ozone layer was being depleted. It was due to all these things that the consciousness was developed. I remember, in the Eighties, when Shrimati Indira Gandhi, the Prime Minister of India and Mahatir Mohammed, a very renowned Head of State of Malaysia were there in one of the NAM conferences, this issue of Western concept of conservation of forest came up. Mahatir Mohammed got agitated and said that: "These people are teaching us when they have exhausted all the forest cover of the world, and through this exploitation they have become rich in the Western world. And, now they are teaching us how to protect the forests!"

It is also reminds us that it was in 1980 that because of the United Nation's intervention, all the major countries wanted to enact an Act to conserve forests. Later on, in 1987-88 again, the Union Government also made certain amendments thereby asking to allow certain products such as non-forest products. That was extended which included cultivation of tea, coffee, spices, rubber, palms, oil-bearing plants, horticulture and medicinal plants. That is how, the degraded forest area was supposed to be developed.

Later on, a very renowned environmentalist, Mr. Anil Agrwal came up with great ideas. His ideas actually changed the way we think. His ideas changed policies, but it did not change the practices that were being implemented here. For instance, he made us understand that economists often missed the real measure of poverty. We need to understand poverty not as lack of cash or money, but as back of access to natural resources. He developed a concept of Gross Natural Product.

I refer to Mr. Anil Agarwal, who passed away last year, because he developed a concept that development is not possible without environment management. He discussed about how to manage the environment. In fact, what was needed is to re-generate the environment for development. He made us look beyond petty trees and tigers, to see the environmental issues, not as people *versus* nature, but as people *versus* people.

Now, the word that is being discussed throughout the world is sustainable development in which roads come in, electricity comes in, provision of telegraph or telephone lines come in, for the sustainable development of human race. This is a very touted word; it is also a very difficult word because for many people it means many things.

Mr. Agarwal made us understand that sustainable development was about the process of decision-making—what decision you are going to make? Every society makes mistakes. The issue is to find ways in which the ones worst affected by a decision are able to make the necessary changes.

The hon. Member here mentioned about the Sabarimala Temple. I had been to Kerala a number of times; I have met a number of people there, in groups. The Devasthanam of Sabarimala also had met us and met me; they have given a number of representations; they have also explained the problems which a number of pilgrims face who come from across the country to visit that place. They want a small passage or access to the shrine. It is not going to be used by the people throughout the year. It is not in the core area of the tiger reserve; it is on the outskirts, which can be provided. I have also discussed it with the officials of the Kerala Government. I do not know why it is being delayed in this manner.

A mention has been made about the National Forest Policy of 1988. Very recently, I think, about six months back, an official team also attended the UN Conference in Geneva—I think, it was held in Geneva—where the country also has given or made an undertaking verbally or in writing. In 1988, it was mandated to increase the forest tree cover to 33 per cent, within two Plan periods. In 1999—as I have been provided with a report—the forest cover in our country is 19.39 per cent.

To reach that level of 33 per cent, we have to make efforts. I will just draw the attention of the hon. Members here. Andhra Pradesh has 16.08 per cent of forest cover. We know very well—we all come from different States and also from different areas—that the figure that has been provided here is not actually the real figure. But whatever it is, this is the figure which is found in the Government records. Kerala has 26.56 per cent; Tamil Nadu has only 13.13 per cent and West Bengal has 9.4 per cent of the forest cover. Orissa it has been mentioned as having 30.2 per cent, which actually is not the fact. What has been envisaged is, in 2007, that is by the end of the Tenth Plan, we should reach 25 per cent and by 2012, that is by the end of the Eleventh Plan we should reach 33 per cent of the forest cover of the country.

MR. DEPUTY-SPEAKER: Please conclude now.



SHRI BHARTRUHARI MAHTAB: Development needs are clashing with the targets of covering one-fourth of the country by forest in four years. We would like to know how much have we achieved in these four years and which are those States which have lagged behind? There is a need and even the United Nations recognises that forests are more than just wood and non-wood products. They help conserve biodiversity, better climate change, protect watersheds. A fifth of our country clubbed as the forest land is the birth place of around 600 rivers and rivulets. The link is simple and devastating. No forest, no water, no water, no food. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Please conclude now. We have extended the time by half an hour but I do not think by that time it is going to be over. I had asked you to be brief so that two or three other Members could also get a chance to speak and then we could hear the Minister also.

SHRI BHARTRUHARI MAHTAB: About eight lakh hectares of forest land across the country has been encroached upon. What steps have been taken? I am referring to the Government record. I would conclude with this last two couplets. which says, "In argument, it is always the optimists who win" and "Nature never leaves a vacuum". That is what Tagore had said. So, I would conclude with these words that what is needed today is to regenerate the environment for development.

MR. DEPUTY-SPEAKER: If two or three Members ask a few clarifications only, we will be in a position to finish it. Otherwise, I will ask the Minister to intervene and the matter will be adjourned for the next sitting.

SHRI BHARTRUHARI MAHTAB: I do not see any reason why the Minister has to reply and we have to close the discussion today. The Minister just wants to intervene and that is what he has been requesting for. He can reply to it later on.

MR. DEPUTY-SPEAKER: The Minister wanted to reply.

SHRI T.R. BAALU: All the Members have already spoken.

MR. DEPUTY-SPEAKER: So, Shri Athawale, we may adjourn this debate for the next sitting.

SHRI RAMDAS ATHAWALE (Pandharpur): I will support the Bill and speak for only five minutes.

*[Translation]*

Mr. Deputy Speaker, Sir, I rise to support the Amendment Bill moved by Dr. V. Saroja to further amend the Forest (conservation) Act, 1980. As per the existing provision permission is not given by the forest department for development and the Government should ponder over it. That is why the hon. Member has moved this Bill in the House. I feel that the Bill which has been moved by Dr. V. Saroja should have been moved by the Government as the tribal people living in rural areas do not get even basic facilities. Those who live in Urban areas get all kind of facilities while those who live in forest do not get benefits of the forests.

MR. DEPUTY-SPEAKER: Ramdas Athawale ji you live in Mumbai, how will you be benefited by the forest?

SHRI RAMDAS ATHAWALE: Mr. Deputy Speaker, Sir though I live in Mumbai, however, my Lok Sabha constituency is Pandharpur. So I am talking about Pandharpur. There are big area of forest in my region Vidarbha, Maharashtra. Though there are no big trees, there, however land is not available for agriculture. We had launched a big movement for the purpose.

19.00 hrs.

Sir, I would like to request the Government that the land not used for forest purposes and suitable for agriculture, should be distributed to tribals and Dalits. It is essential for the Government to take decision in this regard. Permission for the construction of roads and water canal should be given for areas inhabited by tribal people for their development. The Government have taken such steps as the laws are made for the welfare of the people. So it is responsibility of the Government to amend this Act. Laws are meant for the welfare and development of the people so it is essential for the department concerned to ponder over the need for amendment in it. That is why I would like to urge the Government that it should ponder over it.

Sir, tribal people spend their lives in hilly region so it is essential to amend this law to provide more and more benefit to such people. So, it is my suggestion that the Government should ponder over amending this Act.

*[English]*

SHRI KODIKUNNIL SURESH: Mr. Deputy-Speaker, Sir, I thank you for giving me permission for asking some clarifications.

First of all, I congratulate Dr. Saroja for bringing forward this Bill. The Forest Conservation Act is creating a lot of problems in the tribal areas. In my Constituency, most of the areas are thick forest areas. Many tribals are living there. It has a very high tribal population. As far as other constituencies are concerned, there are three *Taluk* areas which are under forest area. We are facing, day-by-day, several problems in that area because of the Forest Act.

The main problem which we are facing relates to forest roads. The Government of India has formulated the Forest Conservation Act which is not allowing black topping in the forest area. In my area, the Chief Conservator of Forest has forwarded three proposals to the Regional Forest Conservator for permitting black topping. The NABARD is ready to construct those roads. But the Forest Conservation Act does not allow this activity. Each road is costing around Rs. 1.5 crore. These roads are: Konni-Kalleli to Achancoil, Aryankavu to Rosemalla, and Elavupalam to Thannimoodu. These are very important roads as far as tribals are concerned. The NABARD is ready to give funds for the construction of these roads. But the Forest Conservation Act is coming in the way. May I know from the hon. minister whether this black topping of the roads will be allowed or not? Most of the points have already been covered by other speakers.

MR. DEPUTY-SPEAKER: Yes. He is a very nice Minister. You can also write to him.

SHRI KODIKUNNIL SURESH; Sir, I have written a number of letters to him. He is very much aware of this. I have received the replies also but they were all negative replies.

Sir, I once again congratulate Dr. Saroja for bringing forward such an important Bill.

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, I am only supporting her Bill. The intention behind the Bill is very clear. The implementation of the Forest Conservation Act should not stand in the way of Centre-State relationship because the State Governments are often putting forward developmental schemes to the Central Government for approval.

An inordinate delay is caused because of this. There is an apprehension amongst the States that the Central Government is misusing the provisions of the Forest Conservation Act for political purposes. The State Government of Tamil Nadu is opposing a proposed

notification of the Government on environment. There was a newspaper report recently accusing the various Ministers for misusing their powers entrusted to them and for working against the cause of Centre-State relations. Of course, we would have to protect the forests, otherwise it would be detrimental to the interest of climatic conditions. The Government should stop indiscriminate felling of trees and we should also definitely prevent encroachment upon forestland. Recently there was a newspaper report in Kerala that a plantation corporation has leased out 1100 acres of land for plantation.

SHRI RAMESH CHENNITHALA: It has been cancelled.

MR. DEPUTY-SPEAKER: Shri Radhakrishnan, he is disputing it.

SHRI VARKALA RADHAKRISHNAN: Anyhow, such a thing happened. It might have been cancelled now. I do agree that it has been cancelled. The hon. Minister must be aware of it. These are the things that are happening in some of the States. In our State, a new thing, namely, vanilla cultivation has now started. There is also an encroachment on forestland due to this. It is a very profitable cultivation. But in the guise of vanilla cultivation, there has been encroachment on forestland. The hon. Minister must be careful about this. It is an attempt towards encroachment of forestland and the Forest Conservation Act should be very strict in those matters. At the same time I would like to request the hon. Minister that such lands must be allowed to be used for development of projects of State Governments, construction of roads and for providing irrigation facilities. There must be a balanced approach. On the one hand, the Government must protect the environment and on the other, the Government should also take note of the fact that all these do not stand in the way of the Centre-State relations.

SHRI T.R. BAALU: Mr. Deputy-Speaker, Sir, first of all, I would like to thank Dr. Saroja, Shri Natchiappan, Shri Chowdhary, Shri Kaliappan, Shri Chennithala, Shri Mahtab, Shri Suresh, Shri Radhakrishnan and all others who have participated in this debate.

Sir, here we are discussing matters relating to forest conservation and issues arising out of forest conservation. This particular subject of forest was in the State List till 1976. By the 42nd Constitutional amendment, this subject was brought under the Concurrent List. A subject that was in the domain of the States has now been brought in the Concurrent List. Does it not mean that the Central

[Shri T.R. Baalu]

Government has only stepped into the shoes of the State Government? Is it not that the Central Government has been empowered to override the powers of the State Government? Shall I say like that? All the Congress Members who are here were critical about me, about the overriding powers, the State autonomy or something like that. About a year back, Shri Murasoli Maran was occupying this particular seat. He was the author of State autonomy. I am his disciple. I know how to conduct myself. They have raised a question whether there are overriding powers of the State Government or to contain the powers which are resting with the Central Government. I can understand that Shri Kalliappan, Dr. Saroja, Shri Suresh, Shri Chennithala, Shri Mahtab and Shri Swain are not lawyers. But, at the same time, there are lawyers who have spoken like Shri Radhakrishnan and my friend, Shri Natchiappan. Both are learned lawyers. They have not spoken about the Forest Conservation Act which is the subject today. They have spoken something beyond the purview of this Bill. They have spoken about the Environment Protection Act, 1986 and CRZ Notification of 1991. Is it fair on your part to speak like that? If Shri Natchiappan is willing to help his AIADMK friends, I do not mind it. But, at the same time, to embarrass AIADMK, he should not go beyond the subject matter to be discussed today. He has to confine to the Forest Conservation Act, 1980 only. He should not have stepped into the Notification of 1991. He should not have entered into the area of EPA of 1986.

Construction of the Secretariat Building in Tamil Nadu was raised. For that purpose, there was a lot of drum beating. Newspapers were writing articles daily and political leaders were saying something. I am not here to speak on that. My jurisdiction is not Tamil Nadu alone. My jurisdiction is entire India. Why should I have that mean mentality? If I have that mean mentality, I would not have cleared the projects of Tamil Nadu. I have cleared 60 projects as far as Tamil Nadu is concerned in a span of four years. ...(*Interruptions*)

SHRI K.K. KALIAPPAN: \*Sir, as a Member of Parliament, I have got the right to speak on the floor of the House. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: Please sit down. ...(*Interruptions*)

SHRI T.R. BAALU: There have been a number of projects which have been cleared. ...(*Interruptions*) From 1980 to 1999, there are 6655 projects which have been

cleared. Forest clearance have been given to 6655 projects from 1980 to 1999. The annual clearance between 1980 and 1999 was 290 projects per year. During my period, between 1999 and 2003, 3703 projects have been cleared. That means 927 projects have been cleared annually instead of 290 projects yearly prior to my occupying this chair.

SHRI KODIKUNNIL SURESH: How many projects have you rejected?

SHRI T.R. BAALU: So, the annual average has increased from 290 projects to 927 projects during my period. As far as Tamil Nadu is concerned, from 1980-1999, 265 projects have been cleared prior to my occupation as the Minister. During 1999-2003, we have received 79 proposals, approved 60 projects and 19 projects have been closed or rejected. I will tell you as to why those projects have been closed. Dr. Saroja was on her feet. She was charging a number of things. She said: "Now, I will give you the names of projects. Will you be able to clear the projects right away?"

MR. DEPUTY-SPEAKER: For a minute, please take your seat. The extended time is also going to be over now. Is it the pleasure of the House to sit till the matter is completed.

SEVERAL HON. MEMBERS: Yes.

MR. DEPUTY-SPEAKER: All right, the time is extended till the matter is completed. Mr. Minister, you can continue.

SHRI T.R. BAALU: Sir, from 1999 to 2003, the total projects received—Shri Suresh asked about it—is 4990; approved projects were 3703. They are from throughout India. 1262 projects were rejected. Only 25 projects are pending. Do you find any fault with this Minister? I am not here just to sit over any issue. I do not want any issue to be raised like this. I do not like any finger to be pointed at one.

The Hon. Members were so much worried about the forest cover and tribal welfare. The forest cover during my period has increased by 1.16 per cent. The forest cover, to the extent of 38,245 square kilometre has increased as per 2001 survey. The total forest cover as of now is 23.03 per cent whereas we have to go—as Shri Mehta has just now said—to 33 per cent. By 2007, by the end of the Tenth Plan, we have to achieve 25 per cent. Definitely, we will achieve the 25 per cent mark. By the end of 212, we have to achieve 33 per cent.

\*Translation of the speech originally delivered in Tamil.

Definitely, we are on the right path.

My dear friends were worried about tribal welfare. I could achieve 33 per cent. How? Day by day, a number of Joint Forest Management Committees are being created and established elsewhere. More than 60,000 Forest Committees have been established. For your information, I would say this. Many friends talked about tribal welfare. The number of families involved in the Joint Forest Management Committee for Scheduled Tribes' alone is 27.29 lakh. The number of families involved in this as regards Scheduled Castes alone is 15.8 lakh. The number of women involved is 83 lakh. Is it not an achievement?

By the by, I want to say that in the Ninth Plan, for Tamil Nadu alone, under Forest Wildlife and FDA, we have released Rs. 18.72 crore whereas in the Tenth Plan, the Plan which is running now, we have so far released Rs. 26 crore. Where is the step-motherly attitude? I think the hon. Member Dr. Saroja was misinformed. Tamil Nadu is also my State. I am also the son of the soil of Tamil Nadu.

Madam, before you speak, I would tell you the projects that are pending. Why are they pending? Shri Kaliappan and Dr. Saroja were talking about the Pykara Hydro Electric Project's ultimate stage. The case was put up before the Forest Advisory Committee in August, 2003. We have asked for essential information *vide* letter dated 3.10.03. So far, no information has been received. In spite of my statement in the Press last month, I have not received even a scrap of paper from the Government of Tamil Nadu.

About the Papanasam Hydro Electric Project, the case was put up before the Forest Advisory Committee in May 2003. Essential information was sought *vide* letter dated 9.5.03 but no information has been received so far.

Regarding the construction of Ullar Reservoir, the proposal was considered by the Forest Advisory Committee but it was observed on 21.2.03 that achievement of compensatory afforestation in the State is unsatisfactory and unless and tangible progress is made, we could not do anything.

The fourth item is the construction of Vadakku Pachaiyar Reservoir Project. The proposal was considered by the Forest Advisory Committee in June 2003. Essential information was sought on 3.7.03 but we have received no information. What is the way out? How can I act here? Do you want me to act as a Minister or since they are Tamil Nadu projects, I have to sign and send them?

Misinformed Member of Parliament and misinformed Ministers of Tamil Nadu quarrel with me.

Sir, my friend, Shri Sudarsana Natchiappan was vociferously supporting the AIADMK on the matter relating to construction of a new Secretariat building for the Government of Tamil Nadu. It is not at all connected with the Forest Conservation Act and the matter under discussion today. I have only taken the appropriate action on the advice of the Supreme Court and it is not at all aimed towards this particular case which he has mentioned. He should understand that. What is that notification? Has anybody gone through that notification? If they had gone through that notification, they would not have referred to the Forest Conservation Act or the Indian Forest Act or the CRZ Notification of 1991. We have issued that notification under the Environment Protection Act, 1986. We have not issued that notification aiming towards Tamil Nadu. We have issued that notification which gives 60 days notice and Sir, you know about this pretty well. Even now, it is only a draft notification. It has not become an Act. How can I do something wrong against my native State? I cannot allow any mudslinging on me; I can tolerate political criticism, but not mudslinging.

Sir, Shri Sudarsana Natchiappan was saying that we should bring an amendment to this Act and Shri Adhir Chowdhury also mentioned the same point. With your permission, I would like to read two or three lines from this letter.

MR. DEPUTY-SPEAKER: Whose letter is it?

SHRI T.R. BAALU: Sir, I know the rules and regulations of the House. I am very much within my limits to quote this letter.

Sri, the hon. Member has mentioned about my friend, Shri Digvijay Singh's letter who was the Chief Minister of Madhya Pradesh till recently. He reportedly wrote a letter in August, 2000. But, in the year 2001, She wrote a letter to me on 21st July, 2001. Now you can understand who is she. She says:

"During my address to the Meeting of Congress Chief Minister held on 16th June, 2001, I had referred to the inherent dangers in seeking hasty amendments to the Forest Conservation Act and I would like to underline this by pointing out that the concerns of environment, forests and wildlife continue to receive importance in many of the States."

[Shri T.R. Baalu]

I do not want to quote further. This letter was written by none other than the hon. Leader of the Opposition, Shrimati Sonia Gandhi. The Leader of the Opposition is for conservation of forests. The Prime Minister and his colleagues are also for conservation of forests. So, how can the Members of the Opposition, particularly the Members of the Congress Party defy that? How is it possible? ...*(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: Mr. Deputy-Speaker, Sir, will he yield for a minute?

SHRI T.R. BAALU: Sir, I am not yielding.

SHRI E.M. SUDARSANA NATCHIAPPAN: Sir, let him kindly go through my speech and see whether I am for conservation of forests or not. ...*(Interruptions)*

SHRI T.R. BAALU: I would like to suggest to him to bring an amendment. Is he ready to bring an amendment? ...*(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: Sir, he has not followed my speech. ...*(Interruptions)*

SHRI T.R. BAALU: Sir, I have followed his speech. Perhaps he wanted to embarrass somebody and that is why he supported them. ...*(Interruptions)*

SHRI E.M. SUDARSANA NATCHIAPPAN: Sir, let him go through the record and see what I have said. ...*(Interruptions)*

SHRI T.R. BAALU: Sir, without knowing about the Environment Protection Act of 1986, how can he stake like that? He cannot go beyond the ambit of this Bill. He is a learned lawyer, unlike me.

Sir, Dr. Saroja has brought three or four amendments to the Forest Conservation Act through this Bill and I would like to reply to the points raised by her.

Clause 2 of the Bill says:

"Provided that the Central Government shall not withhold its approval for deforestation if the forest land to be acquired is for public development works such as construction of roads, drinking water schemes, laying of telegraph or telephone lines or any other development scheme or the benefit of the general public."

For drinking water supply schemes and for laying of telephone lines etc., there is a general approval given up to 15.10.2005. I do not think this amendment is necessary. Even now, a general approval is there.

The second one is about speedier disposal of the project proposals. The regional offices have been delegated powers for five hectares. It is not at all possible. The regional offices have already got powers for five hectares and can further recommend up to 40 hectares. The Central Government will definitely dispose it of.

The third amendment is:

"The schemes approved by the State Governments and sent to the Central Government for approval shall be disposed of by the Central Government within one month of their receipt."

As per the prevailing guidelines, the State Government are having up to 90 days. The Central Government is taking only 60 days. So, where is the problem? When a State Government is scrutinising in 90 days, where is the possibility of delay? As and when these are received, we would send them. There is an Expert Committee. It has to go through that Committee. The scrutiny will have to be conducted. We have to go for inspection. So, it is not at all possible to approve within 30 days.

The fourth amendment is:

"(1) The Central Government may, by notification in the Central Gazette, in consultation with the State Government, make rules for carrying out the provisions of this Act."

It is very good. This is correct. As of now, we are doing it. Without consulting the State Governments, we are not doing anything. We are periodically having Forest Officers' meetings and also Ministers' meetings. We are conducting an awareness programme.

I have already explained all the thing. If anything is still left or any hon. Member wants to seek a clarification, I will definitely reply to that. At the same time, let anybody point out a finger at me.

During the Ninth Plan, the allocation for the National River Conservation Programme was Rs. 3,300 crore. An amount of Rs. 1,111 crore has been allocated to Tamil Nadu. That is one-third of the allocation for the project. But what has happened? Would Dr. Saroja come forward

to my rescue and say that all the projects are complete up to date? No projects have been completed. We have given 12 projects. At the instance of the hon. Prime Minister, the NDA Government has extended Rs. 1,111 crore to Tamil Nadu. But they have spent only Rs. 200 crore. Now Dr. Saroja is just pointing out: "The Minister is not helping. The Minister is not doing anything. He is not having any interest. He is just flouting the State autonomy or its policies." She was just indulging in a mudslinging exercise. She was passing on so much animosity. It does not hold good. Thank you very much.

MR. DEPUTY-SPEAKER: You have to request her to withdraw the Bill.

SHRI T.R. BAALU: Now may I request Dr. Saroja to seek any clarification? Otherwise, she could withdraw the Bill.

DR. V. SAROJA: No, Sir. Now it is my turn to reply. This is Private Member's Bill.

MR. DEPUTY-SPEAKER: That is why I have called you now.

...(Interruptions)

SHRI BHARTRUHARI MAHTAB: Sir, it is relating to the Forest (Conservation) Act, 1980. Till 1980, about 45 lakh hectare of forest land was diverted. That means it was done in 30 years. Since 1980, already 23 years have passed. Around 8.72 lakh hectare of forest land have been diverted for non-forestry purposes. Have 8.72 lakh hectare of equal land been afforested?

SHRI T.R. BAALU: Actually, the proponents have to pay the money. The money collection part is with the State Government only. The State Government collects the money. Only after that, if there is a certificate that the money has been collected, we will issue the no objection certificate. But at the same time, the compensatory forestry is definitely not up to the mark. The Ministry interacts with the Chief Secretaries of the States. Many actions have been taken and definitely we will do it.

SHRI RAMESH CHENNITHALA: Sir, I would like to know from the hon. Minister about the proposal of giving forest land to tribals in Kerala.

SHRI T.R. BAALU: There is no problem at all. Even today, the persons who were having livelihood in that particular forest, prior to 1980, have been permitted at

that point of time. If they are in possession of any certificate to that effect from the Collector or if any promise was made on the floor of the Assembly or on the floor of this House, to that effect that will be taken into consideration and they will be allowed. The only thing is that they have to prove that they were living there prior to 1980, before the Forest Conservation Act came into being. Even today, I am ready to see that particular land is given to the tribals, whomsoever it may be. Even though if it is not permissible land, we can make some alternative arrangements. I have done it in Kerala, I have done it in Madhya Pradesh, I have done it in Maharashtra. They have to prove that they were settled there prior to 1980. The land record has to be there. Without that we cannot help them.

SHRI RAMESH CHENNITHALA: What about the Sabrimala matter?

SHRI T.R. BAALU: It is a sanctuary, that too a Tiger Sanctuary. The Government cannot disturb the wild life.

SHRI BHARTRUHARI MAHTAB: There is a core area. The Sabrimala Shrine is beyond the core area. In that sanctuary we have a core area, though the sanctuary totally inaccessible for human beings. But this is outside the core area and in the report also the State Government has stated that.

SHRI RAMESH CHENNITHALA: For the use of pilgrims he can give it.

SHRI T.R. BAALU: No There is a security-belt like thing. For corridor purposes we have provided 10 kms. of land.

SHRI BHARTRUHARI MAHTAB: It is four kilometres.

SHRI T.R. BAALU: Whatever it is, I do not know the exact security ring. We cannot allow that.

MR. DEPUTY-SPEAKER: Beyond the core area, if the Kerala Government has approached you, you can review it.

SHRI T.R. BAALU: Many Chief Ministers are coming and explaining things to me. If there is any possibility, definitely we will do it. Even today or tomorrow I am ready to see to it. But beyond the purview of the Forest Conservation Act, I cannot do anything. I am sorry.

SHRI KHARABELA SWAIN: Sir, I made an appeal to the hon. Minister. Is he prepared to consider my proposal that if any MP wishes to contribute money for

[Shri Kharabela Swain]

afforestation, the Minister is also willing to pay another 50 per cent from the Central Fund, just like in any other Centrally Sponsored Scheme?

SHRI T.R. BAALU: It is a welcome concept. But I have to discuss it and examine it in detail.

DR. V. SAROJA: Thank you Mr. Deputy-Speaker Sir. I congratulate the hon. Members for their rich contribution to the Forest Conservation Act. I hope the hon. Minister would take note of all the points mentioned by the hon. Members and that he would not leave anything in haste and would not commit anything in a hurry.

I would also request you Sir that whatever he has stated, by taking my name that Dr. Saroja is indulging in mudslinging, etc., should be expunged. I have not said anything of that sort.

SHRI T.R. BAALU: I did not mean anything. It was just a way of my expression.

MR. DEPUTY-SPEAKER: I will look into it and if there is anything objectionable, we will expunge it. Even the hon. Minister has also agreed to it.

DR. V. SAROJA: The hon. Minister has cleared so many projects, not only in Tamil Nadu but all over India. I appreciate that and I congratulate him for that. But coming to the problem of my constituency, the hon. Minister is aware that my constituency, Senthamangalam, is a tribal assembly segment, where the Kolli Hills are located. That is there for want of road formation from Mullukuruchi to Kollumalai, bypassing 72 hairpin bands. I have been requesting the Department of Tribal Development for allotment of money and they have allotted money. This was my first request during 1998. Till now, the work has not taken place. Who is held responsible for that? Who is answerable for poor and downtrodden people of the Kolli Hills? Till now, what is happening to the money that has been deposited two-three years back? Till now, that work has not taken place. Who is held responsible for that? How am I going to face the people? I have gone through the Forest Conservation Act word by word. In that, Phase I and Phase II clearances are taking a lot of time. That is the problem for giving clearance. Will the Government come forward to take steps for shortening the time? Will the Government constitute a Committee with the State Government officials and Government of India officials? They will have inspection simultaneously at one point of time and they will have to follow all the procedures that

should be followed. But, there should not be any delay. The file should not go from table to table; the officials saying that they have done that; and that forest clearance is not there. I would like to know from the hon. Minister who will lay the Kollumalai road. If it is not done, who is held responsible for that?

The second project in the same area is the hydro-electric project. That was processed. Clearance was given by the then hon. Environment Minister after 4 years. I was so happy and I was able to convey to my people with happiness that I got this project. But there was a heavy blow due to the latest judgement of the Supreme Court and we had to pay another Rs. 48.50 lakh to start that project. Why do not you sit and discuss it with the Departments of the concerned Ministries? I am sorry to say this. I am going on record. I am repeatedly telling that there is no inter-Ministerial coordination as a result of which the people are put to hardship. We, the Members of Parliament, are answerable for the people. We are accountable for the people. We can give the answer that I am receiving now. Tomorrow I am going to meet the people. What will I say to my people? Who will clear Rs. 47.58 lakh that the user agency has to pay? Then, how long will it take? I would request the hon. Parliamentary Affairs Minister, to the Prime Minister through this House, that a permanent solution must be sought not only for this project but also for other projects. In my constituency there are two projects that are under his Ministry. Till now, they have not been taken up. The reasons being delay in clearance of the first phase and the second phase. The Ministry should take note of them and you should evolve a consensus. You should have the project cleared.

Sir, the hon. Minister has told that he has cleared most of the projects. There is a communication gap. The forest clearance was given about three months back. Till now, the District Collector of Namakkal has not received orders. This is, for example, how the official machinery is functioning. Till now, the Collector is asking for it. Last night also the Collector asked: "Madam, you told me that you have given the Press statement that the project was cleared. Where is the order? How can I go about with this?"

Yesterday night I had a discussion with the Collector. They said they have not received it. This is the type of ministerial work which is going on. This is for your kind information.

Coming to my Bill, it addresses two issues. One thing is that the conservation of forests is the first and foremost point in my Bill. Have I ever said that there

should be amendment to the Forest Conservation Act? I did not say that. You have to hand over the clearance. I never said that deforestation is must. But the Minister has gone on record and he has replied to most of the Members that we are not concerned about the forest conservation.

When I went to the European countries in 1993, when we were discussing during lunch time, a driver in Italy told me that we are committing a sin because the people are cutting the tree, and that is why God is punishing us without rain. That is the observation made by a driver in Italy. I imbibe that in my mind. I am a medical doctor by profession. I am more concerned about the environment. I am more concerned about not only the health of the human beings but also of the animals. How can you say that I am not concerned about the conservation of forests? I appreciate that. I only wanted you to achieve the target of 33 per cent by the 11th Five Year Plan by inviting the Department of Revenue, Department of Forests, Tribal Welfare Department and the Ministry of Rural Development. We are here. We have to coordinate. We are by the people, for the people and of the people. We have to achieve that target. There should be 33 per cent forest coverage. That is the aim of my Bill.

We have so much of wealth. We have so many problems also. For their basic amenities, there are joint Forest Management Committees. The hon. Minister is well aware of that. In Tamil Nadu during 1991-96, you are well aware we had constituted the Village Forest Management Committees involving the local tribal people and the Department of Forest. Environment friendly and forest friendly committees are still there. The hon. Minister has said as if we are not concerned with forest conservation. We are for the welfare of the tribal people.

Here again I would like to go on record that the hon. Minister was telling about the issuance of environment clearance notification. We are not against issuing the notification. *...(Interruptions)* When you have told about that, I have to respond. You have told me that.

SHRI T.R. BAALU: The notification has nothing to do with the Bill.

DR. V. SAROJA: Of course, hon. Deputy-Speaker, Sir, he has mentioned about that. That is why I am giving the reply. *...(Interruptions)* No, he has mentioned. *...(Interruptions)* Since he has mentioned, I am to give the reply.

SHRI T.R. BAALU: It is irrelevant.

DR. V. SAROJA: When it is irrelevant, why did you mention that?

SHRI T.R. BAALU: It is because of you only. You, the Members only brought everything to the House. I have not mentioned anything.

DR. V. SAROJA: I am the Mover of the Bill. I am piloting the Bill. It is my chance to give the reply.

SHRI T.R. BAALU: You have to use the time of the Parliament properly.

DR. V. SAROJA: No, it is my time to give the reply. You have mentioned it. Even without notification, he has given the Press statement. That is the only one problem with the environment clearance notification. There is nothing more than that. *...(Interruptions)* Why are you losing your temper? You are very restless today. You are not hearing anything peacefully. *...(Interruptions)* Since you went on record, I am also giving the reply.

MR. DEPUTY-SPEAKER: After sometime I will also be restless!

DR. V. SAROJA: I will conclude now. *...(Interruptions)*

MR. DEPUTY-SPEAKER: After mentioning all the limitations and difficulties, he has assured to reconsider it and requested her to withdraw the Bill.

*...(Interruptions)*

SHRI T.R. BAALU: Sir, I will consider the suggestions made by the hon. Member. *...(Interruptions)*

DR. V. SAROJA: Mr. Deputy-Speaker, Sir, you are very considerate.

MR. DEPUTY-SPEAKER: I am very considerate to both of you.

DR. V. SAROJA: Sir, this is not the forum to score political points. This is the forum where we fight for the cause of the people.

The hon. Chief Minister of Tamil Nadu has written a letter to all the other Chief Ministers about Centre-State relationship and also how Centre-State relationship could be maintained harmoniously so that schemes from the Government of India implemented through the State



[Dr. V. Saroja]

Governments would reach the people; most of the Chief Ministers have responded to that letter. With your permission, I would place these few lines and thank the hon. Minister. ...*(Interruptions)*

SHRI T.R. BAALU: No.

DR. V. SAROJA: I would lay it on the Table. It is for the consideration of the Government. ...*(Interruptions)* Or, if you give me the time, I would go through the letter.

SHRI T.R. BAALU: What is the letter about? Is it about forest conservation? ...*(Interruptions)* If it is not, I would issue a privilege notice now itself. ...*(Interruptions)* If it is not relevant, I will raise a privilege issue. ...*(Interruptions)*

[Translation]

THE MINISTER OF HEALTH AND FAMILY WELFARE AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRIMATI SUSHMA SWARAJ): Mr. Deputy-Speaker, Sir, please adjourn the House before he moves privilege motion.

[English]

DR. V. SAROJA: I am only stating the facts. This letter is on Centre-State relationship. What is the problem in it? ...*(Interruptions)*

SHRI T.R. BAALU: It is not that any scrap paper could be brought here.

DR. V. SAROJA: This is not a scrap paper.

SHRI T.R. BAALU: But Centre-State relationship is not at all an issue here.

MR. DEPUTY-SPEAKER: Dr. Saroja, will you please conclude now?

...*(Interruptions)*

MR. DEPUTY-SPEAKER: You have to simply thank all hon. Members who have participated in the debate and withdraw the Bill on the basis of assurance given by the hon. Minister.

...*(Interruptions)*

[Translation]

SHRIMATI SUSHMA SWARAJ: Mr. Deputy-Speaker, Sir, if the hon'ble member does not withdraw the Bill, it will be inconclusive and will go for the next session.

MR. DEPUTY-SPEAKER: I am doing the same.

[English]

SHRI T.R. BAALU: Sir, I have to give one clarification. There is nothing political in this. ...*(Interruptions)*

The hon. Member was under the impression that letters of approval would be sent to the Collectors. We are not sending them to the Collectors. We are sending them only to the Secretary. I think, I have written to her also about approvals. If she wants a copy, I would ask my office to send her a copy. ...*(Interruptions)*

DR. V. SAROJA: For the Hon. Minister's information, till now, I have not received a copy. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Both of you are not understanding each other. The Hon. Minister has said that the letter is given to the Chief Secretary and then they would be intimated in turn.

...*(Interruptions)*

SHRIMATI SUSHMA SWARAJ: This kind of a harmony should be established between them.

SHRI T.R. BAALU: After Stage-II clearance and when the compensatory money is deposited in the State, if we get a letter to that effect, we would give the clearance.

MR. DEPUTY-SPEAKER: I think, the hon. Minister of Parliamentary Affairs can build a bridge between them.

SHRIMATI SUSHMA SWARAJ: Sir, I would suggest that the hon. Minister should go personally to her residence to hand over the letter and have a cup of tea with her.

SHRI T.R. BAALU: I am ready to go to her house and have a cup of coffee but she would lose her job. That is the problem. My sister would lose her job!

SHRI RAMESH CHENNITHALA: Both to them would lose their jobs!

SHRI T.R. BAALU: Actually, when I contested the Lok Sabha elections, she and her husband voted for me. They would always vote for the rising Sun symbol. ...*(Interruptions)*

DR. V. SAROJA: This is too much. Would the hon. Minister finally give the assurance that he would come

out with a comprehensive Bill to address the lacunae in the Forest Conservation Act?

SHRI T.R. BAALU: Madam, please withdraw your Bill.

DR. V. SAROJA: He has not given the assurance.

SHRI T.R. BAALU: No. I am not here to give any assurance. I have to examine the issue. I would try to find out if I can bring up an amending Bill only after examining the issue. *...(Interruptions)*

SHRIMATI SUSHMA SWARAJ: This is an assurance. It is an assurance that he would examine the issue. *...(Interruptions)*

DR. V. SAROJA: I will withdraw the Bill.

MR. DEPUTY-SPEAKER: The assurance is that he would examine the Forest Conservation Act thoroughly.

*...(Interruptions)*

DR. V. SAROJA: On the basis of the assurance given by the hon. Minister, I withdraw the Bill.

MR. DEPUTY-SPEAKER: The assurance given by Shri Baalu is to look into the Act.

*...(Interruptions)*

SHRIMATI SUSHMA SWARAJ: Therefore, you please withdraw the Bill. *...(Interruptions)*

SHRI T.R. BAALU: Madam, you please withdraw the Bill. *...(Interruptions)*

DR. V. SAROJA: Madam, he has not given the assurance. *...(Interruptions)*

SHRI T. R. BAALU: No. I am not here to give any assurance. I have to examine the issue and only after examining the issue, I will try to find out. *...(Interruptions)*

SHRIMATI SUSHMA SWARAJ: This is also an assurance 'I will examine'.

SHRI T.R. BAALU: I will have to find out whether it is there or not. *...(Interruptions)*

SHRI RAMESH CHENNITHALA: It is also an assurance. *...(Interruptions)*

MR. DEPUTY-SPEAKER: The assurance is that he will examine the Forest (Conservation) Act thoroughly.

*...(Interruptions)*

DR. V. SAROJA: On the basis of the assurance given by the hon. Minister, I withdraw this Bill. *...(Interruptions)*

MR. DEPUTY-SPEAKER: 'Assurance' to look into the  
• Act.

*...(Interruptions)*

MR. DEPUTY-SPEAKER: The Member may now withdraw the Bill.

DR. V. SAROJA: I beg to move for leave to withdraw the bill further to amend the Forest (Conservation), Act, 1980.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to withdraw the Bill further to amend the Forest (Conservation), Act, 1980."

*The motion was adopted.*

DR. V. SAROJA (Rasipuram): I withdraw the Bill.

MR. DEPUTY SPEAKER: The House now stands adjourned till 11 a.m. on Monday, December 22, 2003.

19.51 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on December 22, 2003/Pausa 1, 1925 (Saka).*

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Published under Rules 379 and 382 of the Rules of Procedure and Conduct of Business in Lok Sabha  
(Tenth Edition) and Printed by M/s. Jainco Art India, New Delhi.

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