

# **LOK SABHA DEBATES**

## **(English Version)**

**Second Session**  
**(Fourteenth Lok Sabha)**



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## LOK SABHA DEBATES

### LOK SABHA

Friday, July 16, 2004/Asadha 25, 1926 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

#### RE: FILING OF A PETITION BY THE GOVERNMENT IN SUPREME COURT FOR IMPLEMENTATION OF SATLUJ YAMUNA LINK AGREEMENT

[Translation]

PROF. VIJAY KUMAR MALHOTRA (South Delhi): Mr. Speaker, Sir, I would humbly like to submit that the issue of the S.Y.L. canal is a very sensitive issue. The session is going on. Hence, hon'ble Prime Minister should have made a statement in the House. ...*(Interruptions)* The Government have gone to the Supreme Court. The House should have been taken into confidence. When the session is going on, the statement should have been made in the House. The Prime Minister should have come here. It is a highly sensitive issue involving all the four States. When the Government have taken an action thereon. ...*(Interruptions)*

[English]

The House has not been taken into confidence.

[Translation]

They should have first informed the House and thereafter they should have taken the action. ...*(Interruptions)*

[English]

They have already gone to the Supreme Court without informing the House ...*(Interruptions)*

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): I can just inform the hon. Member, through you, Sir, that it is a fact that the Government of India was expected to comply with the instructions given

by the Supreme Court of India. Certain developments have taken place. So, through a petition the latest situation has been reported to the Supreme Court. It is a part of the reporting. Therefore, there is nothing now. If there be any action, surely the Government will come and inform the House.

PROF. VIJAY KUMAR MALHOTRA : Sir, we seek your protection.

MR. SPEAKER : This is not the time for a debate.

[Translation]

PROF. VIJAY KUMAR MALHOTRA: First of all hon'ble Prime Minister should have informed the House when the session is going on ...*(Interruptions)*

[English]

MR. SPEAKER : You have made your point.

...*(Interruptions)*

MR. SPEAKER : Your leader has spoken Mr. Kriplani. Please cooperate.

...*(Interruptions)* \*

MR. SPEAKER : Nothing will go on record except Mr. Malhotra's observation. Others will not go on record. Question No. 162. Shri Bir Singh Mahato.

[Translation]

SHRI CHANDRAKANT KHAIRE (Aurangabad, Maharashtra): Mr. Speaker, Sir, I have given a notice for Adjournment Motion ...*(Interruptions)*

MR. SPEAKER : Adjournment motion can not be taken up right now the Question Hour is in progress. That would be considered later on.

[English]

MR. SPEAKER: You are such a senior Member, such a well-known Member, and cooperative Member. Please cooperate.

[Translation]

SHRI CHANDRAKANT KHAIRE : Sir, please take it up on Monday.

\*Not recorded.

MR. SPEAKER : It will be taken up on Monday.

*[English]*

Notice will be taken up after Question Hour. Please cooperative. Every corner of the House is being telecast.

SHRI CHANDRAKANT KHAIRE : Thank you, Sir.

MR. SPEAKER : I am grateful for your kind appreciation.

*...(Interruptions)*

*[Translation]*

MR. SPEAKER : It would be considered after the Question Hour.

11.05 hrs.

## ORAL ANSWERS TO QUESTIONS

### Delay in Sanctioning Loan

+  
\*162. SHRI BIR SINGH MAHATO:  
SHRI RAM KRIPAL YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether the rejection rate of loan applications pending with nationalised banks under various welfare schemes is very high and there is inordinate delay in loan disbursal;

(b) if so, the details thereof and the main reasons for such rejection; and

(c) the steps taken by the Government for the speedy sanctioning of loan?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM); (a) to (c) A Statement is laid on the Table of the House.

### *Statement*

(a) According to the information furnished by Reserve Bank of India (RBI), the details of rate of rejection of applications under two major welfare schemes, namely under Swarnajayanti Gram Swarozgar

Yojana (SGSY) and Swarna Jayanti Shahari Rozgar Yojana (SJSRY) along with details of number of applications received and the number of loan sanctioned under the Schemes of Liberation and Rehabilitation of Scavengers (SLRS) and Prime Minister Rozgar Yojana (PMRY) are given in the Annexure. In the year 2003-2004 (upto December, 2003) the rates of rejection of applications under SGSY and SJSRY are not very high and the percentages of rejection have declined as compared to those of the preceding years. The main reasons for delay in disbursement of loans are:

- (i) Complex and voluminous documentation;
- (ii) Delay in obtaining no-dues certificates from other banks;
- (iii) Lack of enthusiasm on the part of banks due to poor recovery; and
- (iv) Lengthy and involved procedures.

(b) The main reasons for rejection of loan applications are as follows :

- (i) Inability to fulfil eligibility norms such as age, education, income, etc.
- (ii) Incomplete application;
- (iii) Lack of potential/scope for the activity;
- (iv) Unsuitability of the scheme for the beneficiary on account of lack of either experience or training in the activity proposed; and
- (v) Absence of necessary documents such as quotations, project reports (wherever required), along with loan proposals; absence of updated information about land record; applicant not belonging to the Service area and absence of No Objection Certificate from Service Area Branch.

(c) Government and RBI regularly monitor and evaluate the progress under different schemes. The performance of banks in regard to sanction and disbursement under the scheme is also critically reviewed in different fora such as the District Level Review Committee (DLRC) and State Level Bankers' Committee (SLBC) etc., where the representatives of RBI, implementing banks, concerned State Government Departments and public representatives also participate in the discussion. The progress of implementation of the schemes is also reviewed by a monitoring cell under

the Chairmanship of Deputy Governor, RBI. Banks have been instructed by RBI to arrange necessary training programmes for branch level officials so as to sensitize them to the needs of the potential beneficiaries. Further,

with a view to minimize difficulties for the beneficiaries, RBI has advised banks to dispose of the loan applications within the prescribed time limit and to ensure that documentation is kept simple.

**Annexure**

*The Details of rate of Rejection under SGSY & SJSRY*

Scheme	Year	Total No. of applications received	No. of applications rejected	% of rejection
SGSY	2001-02	273109	81528	29.85
	2002-03	308411	48812	15.82
	2003-04 (as on Dec. 2003)	150486	18171	12.07
SJSRY	2001-02	176418	NA	NA
	2002-03	128325	39331	30.64
	2003-04 (as on Dec. 2003)	86030	18752	21.79

*Applications Received & Sanctioned under SLRS & PMRY*

SLRS

Year	Target	No. of applications received	No. of applications sanctioned	% of sanction
2001-02	21878	25085	15681	62%
2002-03	14857	17055	12705	74%
2003-04 (as on Dec. 2003)	13228	9932	5984	60%

PMRY

Year	Target	No. of applications received	No. of applications sanctioned	% of sanction
2001-02	347135	437445	237392	54%
2002-03	356769	413788	228465	55%
2003-04	361591	313091	155972	49%

*[English]*

SHRI BIR SINGH MAHATO: Mr. Speaker, Sir, four main reasons have been stated for delay in disbursement of the loans. They are :

- (i) Complex and voluminous documentation;
- (ii) Delay in obtaining no-dues certificates from other banks;
- (iii) Lack of enthusiasm on the part of banks; and
- (iv) Lengthy and involved procedures.

I would like to know from the Minister as to what steps the Government will take to simplify the procedures which cause the delay as stated in his statement.

SHRI P. CHIDAMBARAM: Sir, I have given the reasons for delay in disbursement of loans. But I should also point out that a large number of applications are indeed being sanctioned. In fact, the percentage of sanction in SGSY, if you look at it against the percentage of rejections, is quite high. Similarly in PMRY, which apparently is the focus of the hon. Member's question, the percentage of sanction is as high as between 49 and 55 in the last three years. Now, these delays are there. We have just come into Government. We have informed you of the reasons for the delay and we will try to work out systematic improvements. But, in fairness to what has happened in the last three years, I must point out that 49 to 55 per cent loans are being sanctioned.

SHRI BIR SINGH MAHATO: Sir, the common perception of the rural credit is influenced by the belief that farmers are a class of habitual borrowers with an insatiable thirst for credit. I would like to mention that there is a numerically significant group of depositors of the farmers which avails 44 per cent of their deposits. Will the Government take action against institutions for the wilful rejection and delay in the disbursement of loans?

SHRI P. CHIDAMBARAM: Sir, if any case of wilful or deliberate rejection of an eligible application is brought to my notice, surely I will take action.

*[Translation]*

SHRI RAM KRIPAL YADAV : Mr. Speaker, Sir, I am not fully satisfied with the written reply given by the Minister. In part 'C' of my starred question I had asked as to what steps are being taken by the Government

for the speedy sanctioning of loan. The hon'ble Minister has nowhere mentioned about it in his reply. Moreover, the details furnished by him are also not State-wise. The loan is disbursed under three schemes by the Government and on the basis of my own experience I can tell that in Bihar a large number of officers are involved in corruption and they reject the applications intentionally. I think the entire House will agree that corruption at large scale takes place in the matter of disbursing loans under these schemes and applications are accepted only after taking 10% bribe from unemployed youth. This does not serve the purpose of the Government.

MR. SPEAKER : You ask question.

SHRI RAM KRIPAL YADAV : They are made to run from pillar to post in these offices and unless and until they grease their palms they are not given money. I would like to know the number of applications sanctioned under the three schemes regarding which details have been furnished and the measures being taken for speedy disbursement of loans and to check corruption so that poor people and unemployed youth get relief?

*[English]*

SHRI P. CHIDAMBARAM : Sir, I share the concerns of the hon. Member. I have given in the annexure the details of rate of rejection and the sanctions under the various Schemes. I do not have the figures, State-wise. So, obviously I cannot give the details for the State of Bihar alone. It is nobody's case that there are no systematic deficiencies. All I am saying is we have come into Government. There are systemic deficiencies. We will look into the systemic deficiencies and we will certainly try to improve the system.

*[Translation]*

SHRI RAM KRIPAL YADAV : You have not answered as to what steps you are going to take to ward off corruption.

*[English]*

MR. SPEAKER : If you are not satisfied, there is a method. Please take your seat. Shri Shripad Yesso Naik.

*...(Interruptions)*

MR. SPEAKER : Give up this habit.

*[Translation]*

SHRI RAM KRIPAL YADAV : Mr. Speaker, Sir, I want your protection.

MR. SPEAKER : The answer given is correct.

*[English]*

If you are not satisfied, there is method. Please do not disturb. After sometime, we are having the Question Hour. Utilise this important opportunity.

*[Translation]*

SHRI SHRIPAD YESSO NAIK: The reasons for delay in disbursement of loans as told by the Minister may be true to some extent, but I do not want to go into its details. Around six month are consumed in preparing the documents by the unemployed youths to get loans under the PMRY then the sanction committee sanctions their loans, when these documents and applications reach the banks located in the villages, they are rejected. When the loan is sanctioned, do the Banks have any right to reject their applications after six months? I would like to ask the Government whether it is going to take steps to simplify the procedure? There is no need of security under the PMRY but bank managers reject the applications in the absence of security. What are the steps the Government propose to solve this problem?

*[English]*

SHRI P. CHIDAMBARAM: Sir, the PMRY is directed towards creating self-employment opportunities for educated unemployed youths by setting up micro enterprises in business industry and service sector. That is the thrust of PMRY. There are minimum educational qualifications and a very small requirement of margin money of five per cent. There are some relaxations for the North-Eastern region. It is true that there are delays in either granting the loan or in rejecting the loan. If you could kindly look at my answer, I have said that the programmes are reviewed at three levels. One at the district level, one at the State level and I am told that there is also a review mechanism at the block level. Obviously, these review mechanisms are not to the satisfaction of hon. Members. These review mechanisms have not speeded up the decision-making process. I am aware of that. But, as I said, there are systematic

deficiencies. We will have to take steps to improve the system. You will have to give me time to improve the system.

SHRI N. JANARDHANA REDDY : Besides various programmes which are there to help the youths, the nationalised banks have got the responsibility of advancing to the priority sector to the tune of 18 per cent of the advance. The study says that even two per cent was not paid to Orissa. In certain States, it is a very pathetic condition. Will the hon. Minister review the whole thing?

MR. SPEAKER : He has already answered this question. He said that he is new and he will have it thoroughly examined.

SHRI N. JANARDHANA REDDY: He is not new.

MR. SPEAKER : He is new in the present avataar.

SHRI P. CHIDAMBARAM: Sir, actually, the hon. Member's question relates to credit to the priority sector and the shortfall from the targeted 18 per cent. That does not arise from this Question. But it is because there is a shortfall in the priority sector, we have reviewed the RIDF. We have allocated Rs. 8,000 crore in RIDF in order to make up that shortfall.  
...*(Interruptions)*

MR. SPEAKER : No debate is allowed on this.

SHRI E. PONNUSWAMY: Thank you for the opportunity given to me.

MR. SPEAKER : No thanks is necessary!

SHRI E. PONNUSWAMY: I congratulate the hon. Finance Minister for taking steps for the all round development of the nation through his excellent Budget. I have a very specific question. One of the students has applied for an educational loan of Rs. 4 lakh for pursuing BDS in Annamalai University.

MR. SPEAKER : Do not ask any individual question, Shri Ponnuswamy.

SHRI E. PONNUSWAMY: According to our hon. Finance Minister, the provision without security is Rs. 7.5 lakh but though she has applied for half the amount, that is, less than Rs. 3.5 lakh or up to Rs. 4 lakh, she has not been granted loan for pursuing her studies. Her name is Elavarisi, daughter of Shanmugasundaram of

my own district, Thiruvannamalai, Tamil Nadu.  
...*(Interruptions)*

MR. SPEAKER : It does not arise out of this Question. I am sorry. I will not allow this.

...*(Interruptions)*

SHRI E. PONNUSWAMY: I would like to know from the hon. Minister as to whether the orders have gone to the banks according to the budgetary provision.

SHRI P. CHIDAMBARAM: This question does not arise out of this, but I will answer. It is possible that the bank manager is not aware of the new decision. Give me the details and we will certainly ask him to disburse the loan.

*[Translation]*

SHRI SHAILENDRA KUMAR : Mr. Speaker, Sir, when the educated unemployed youth takes loan under these three schemes i.e. S.G.S.Y., S.J.S.R.Y. or P.M.R.Y., he has a lot of aspirations of doing business to provide sustenance to his family. But the reality is that unless 10 per cent bribe is given to the bank officials, no loan is sanctioned. He fails to undertake his business. Repayment of loan also does not take place. As a result, he is locked up in Tehsil and his loan is recovered. So, I would like to ask the hon'ble Minister whether Government would take any action against the officers and officials of all those Banks who failed to disburse the loans within the time-frame? I would like to ask in this regard particularly with regard to Uttar Pradesh. ...*(Interruptions)* This is a matter of common concern of the hon'ble Members of both the Houses  
...*(Interruptions)*

*[English]*

MR. SPEAKER: It is a very good supplementary. Now, let him reply.

SHRI RAMDAS BANDU ATHAWALE: But we want a very good reply. ...*(Interruptions)*

SHRI P. CHIDAMBARAM: Sir, the hon. Member is referring to acts of corruption where bank officers either take money up-front or try to take a portion of the subsidy. These are acts of corruption. Now, acts of corruption can only be dealt with if there is a complaint, if somebody brings it to my notice. If there is a case which is brought to my notice or brought to the notice

of the competent authority, surely, action will be taken.  
...*(Interruptions)* Now, I cannot possibly say that everybody is corrupt. But I am not denying that some are corrupt.

Sir, if the hon. Member gives me specific instances, specific branches, we will take action.

MR. SPEAKER : Now, Dr. Ramchandra Dome.

...*(Interruptions)*

MR. SPEAKER: Hon. Member, please control yourself. Other Members have also the right to put questions.

DR. RAM CHANDRA DOME : Mr. Speaker, Sir, as per the statement given by the hon. Minister, the highest rejection rate is within the category of SLRS and also PMRY where the educated unemployed youths are searching for jobs and employment. Here, the rate of rejection is very high.

So, my pointed question to the hon. Minister is, what are the reasons for high rate of rejection amongst the SLRS and PMRY cases? This is a part (a) of my question.

Part (b) of my question is that many a time, during the monitoring meeting at the district level, we come across delays in the payment of loans. The disbursement is not made due to non-payment of loans by the beneficiaries. But our experience in the entire eastern region and the north-eastern region is that the banks' CD ratio is very low. Why is this sort of discrimination going on during the disbursement of loans, particularly in the eastern region and the north-eastern region? The officials are not paying proper attention and their cases are not considered.

MR. SPEAKER : Please put your question now.

DR. RAM CHANDRA DOME : So, is the Government considering to review the whole issue so that this problem of discrimination can be solved within a specific timeframe?

SHRI P. CHIDAMBARAM: Sir, we do not accept the hon. Member's initial statement. The rate of sanction of SLRS is, in fact, high. It is higher than the PMRY. The rate of sanction is between 60 per cent to 74 per cent in the last three years, whereas in the case of the PMRY, it is only between 49 per cent and 55 per cent.

Now, I am not saying that 74 per cent is very satisfactory. But it is the higher rate than under the PMRY.

Now, the question of a low CD ratio in the north-eastern region is a larger question, which deals with the development. ...(*Interruptions*)

DR. RAM CHANDRA DOME : I am talking about eastern region also.

SHRI P. CHIDAMBARAM: The eastern region and the north-eastern region are the areas where there are larger issues involved. That issue cannot be dealt with in the scope of an answer to a Question on the PMRY and SLRS.

MR. SPEAKER : You can look into it, Mr. Minister.

SHRI P. CHIDAMBARAM: Certainly, Sir. ...(*Interruptions*)

MR. SPEAKER: He has promised to look into the same. Thank you.

Now, Dr. Arun Kumar Sarma.

...(*Interruptions*)

MR. SPEAKER : Hon. Members, there are 41 parties in this House and I am trying to give every party a chance. Please do not try to monopolise.

...(*Interruptions*)

DR. ARUN KUMAR SARMA: Mr. Speaker, Sir, the status of disbursement of loans in Assam is probably the worst in the entire country. It is the inherent tendency. ...(*Interruptions*)

MR. SPEAKER : If you disturb during the Question Hour, you will never get a chance, I tell you.

DR. ARUN KUMAR SARMA: Sir, it is the inherent tendency of all the nationalised banks to reject the loan applications instead of sanctioning them. Would the hon. Minister hold a special meeting with all the Members of Parliament and with the banks so that simplification of the procedure can be shaped, the banks could be compelled to answer the loan applications that come and that they are cleared within a specific timeframe which could be specific to the problem, considering the geographical isolation of the North-Eastern region?

SHRI P. CHIDAMBARAM: Hon. Member and his colleagues are most welcome to come and meet me. In that meeting, if he wishes to have the Chairman or the ED of any particular bank functioning in that particular region, surely I will ask him to be present.

MR. SPEAKER: Shri Prabhunath Singh. Please put a very pointed question. There is no other Member from your party and that is why, you are getting a chance.

[*Translation*]

SHRI PRABHUNATH SINGH: Mr. Speaker, Sir, I would like to know from the hon'ble Finance Minister that in view of the fact that he has accepted the point that through the industry office. ...(*Interruptions*)

[*English*]

SHRI MADHUSUDAN MISTRY: Everyday, he is getting a chance.

MR. SPEAKER: A special arrangement!

Next would be Shri Madhusudan Mistry.

...(*Interruptions*)

MR. SPEAKER: Sorry for interruption. Please continue, Shri Prabhunath Singh.

[*Translation*]

SHRI PRABHUNATH SINGH: Mr. Speaker, Sir, whatever I had spoken got lost in the conversation with you, so I am asking afresh.

Mr. Speaker, Sir, as the hon'ble Finance Minister has accepted in his reply that recommendations are made to banks through the Industry office or the Block office, then only targets for the banks are fixed regarding the amount of loan to be disbursed by the respective bank in the year. Targets are fixed by the Industry office and the officers of the lead bank also remain present in the process. When all the proper petitions get approved and even then the banks does not achieve the target in that case the one or two, hundred or two hundred petitions are approved without completing the formalities and remaining are left out. This clearly proves that the bank official provides loan under some sort of influence. Through you, I would like to know from the hon'ble Minister as to whether the Government propose to find out a way to avoid the process of frequently visiting the



office of Industry and the Block office so that the eligible person could get loan through direct contact with the Bank or the banks could provide loan to those who prove their eligibility?

*[English]*

SHRI P. CHIDAMBARAM: While I certainly share the concern that all is not well and the system requires improvement, I think, the fact is that a large number of applications are, in fact, being sanctioned. Yes, perhaps in some cases a direct applicant is turned away, while an application which comes through an industrial officer is taken out of turn. These are realities of life; the system has to be improved. You will have to give time to the Government to review the system and try to improve it. But I am talking about what happened in the last three years.

MR. SPEAKER : It is a very important Question and that is why, I am allowing more hon. Members. Now, Shri Shriniwas Patil. Please be brief and to the point.

SHRI SHRINIWAS DADASAHEB PATIL: Sir, I am thankful to you for allowing me to put a question.

MR. SPEAKER : These prefaces are not necessary.

SHRI SHRINIWAS DADASAHEB PATIL: For the last 4-5 years, I am seeing that the officers, banks and the Government machinery are being criticised. May I know whether the new Government and the able Finance Minister would like to have some system whereby good things that are being done and the officers who have done good work are rewarded? Is there a system of rewarding them with *upadhis* like *Jan Mitra* or *Lok Mitra*? If so, may I know whether the Government will think of this new system to encourage the officers who are working in the field?

MR. SPEAKER: He will give everything including rewards, I believe!

SHRI P. CHIDAMBARAM: There are, as the hon. Member says, good and bad officers and there are good and bad elements in every walk of life. The good persons will indeed be encouraged.

MR. SPEAKER : All hon. Members are good!

SHRI P. CHIDAMBARAM: All those who are asking me questions are very good.

We will try to encourage them; there are systems within the banks and we will encourage them.

MR. SPEAKER : Shri Arjun Sethi. Please be brief.

SHRI ARJUN SETHI: Whether it is a fact that while sanctioning loans especially under PMRY, the Banks insist on collateral security? As a result of that, the candidates belonging to the SC/ST category are not able to afford or to give collateral security, and thus, their applications are being rejected.

So, what measures or what specific steps the Government is taking in this direction? RBI is also not in favour of collateral security. How do the banks insist on taking collateral security? Is the Government taking any steps in this direction to help SC/ST applicants?

SHRI P. CHIDAMBARAM: That may not be correct. Under SGSY, the security is only the asset created out of the bank loans, in respect of individual loans up to Rs. 50,000 and in respect of group loans up to Rs. 5 lakh. It is only where the individual loan is above Rs. 5 lakh, in addition to the primary security, that is the assets created out of the loan, a suitable margin money or other collateral security is asked. Similarly, in SJSRY and PMRY there are certain guidelines. If the hon. Member brings to my notice that anyone is asking for a security or a collateral security contrary to these guidelines, surely severe action will be taken.

MR. SPEAKER: Shri P.C. Thomas.

*...(Interruptions)*

MR. SPEAKER: He is also an honourable Member. If you disturb like this, you will not get a chance.

SHRI P.C. THOMAS: Sir, I also come in the category of good Members because I am also asking a question. *...(Interruptions)*

MR. SPEAKER: I find hon. Members are saying the same things, which are again and again repeated. If you have a new point, do ask, otherwise, I will not allow you. Everybody is talking about the delay.

SHRI P.C. THOMAS: The point is, I am glad that the hon. Minister has raised the amount in the education loan category up to Rs. 7.5 lakh but it is also a fact that collateral security is being insisted, and if collateral security is not insisted, the loan is not given. It is a fact.

MR. SPEAKER: You are saying the same thing. It has already been asked. I will not allow it.

...(Interruptions)

SHRI P.C. THOMAS: Is there any machinery or can he make a new machinery by which the check and balance can be kept with regard to the education because it is very important? It is important in the sense that those persons can repay the loan after getting the job.

MR. SPEAKER: You have made your point. Let the Minister answer. Let us be brief.

SHRI P. CHIDAMBARAM: I do not think we should convey the impression that everything is bad. Education loan is one of the most successful loan schemes of the Government of India. Education loans are being sanctioned. I do not have the figures of the Education Loans. It does not arise here but with regard to some other question, I have already answered it. A large number of educational loans are being sanctioned. The July 8 Budget speech said, up to Rs. 7.5 lakh. May be, in the first three days every bank Manager does not know about it, but instructions will go. If there is a specific case, bring it to my notice. I want the young men and women to go and apply for the Education Loan.

[Translation]

SHRI RAJESH VERMA : Hon'ble Mr. Speaker, Sir, a very important question is being discussed today in the House regarding the bank loans and several hon'ble Members have submitted before you about all types of problems. Through you I would like to know from the hon'ble Minister that whether the Government are going to take any step to ensure a monthly meeting in every district in which all the bankers could be summoned and in that meeting hon'ble Members of that area may also be invited and the problems being faced by the people could be communicated to the managers. Whether you are going to take any such step?

[English]

MR. SPEAKER: It is just a suggestion for action. The Minister has heard it.

[Translation]

SHRI RAMDAS BANDU ATHAWALE: Mr. Speaker, Sir, my question is very important and I want a concrete

reply. Nine crore forty lac people are registered with the employment exchanges of the country and you have given an assurance that you would provide employment to the nine lac unemployed people every year. Earlier, the NDA Government had given the assurance that they would provide employment to one crore people every year. ...(Interruptions)

[English]

MR. SPEAKER: Please put the question.

[Translation]

SHRI RAMDAS BANDU ATHAWALE: But they did not provide employment to the one crore people that is why they are in opposition. Your Government has given assurance to provide employment to nine lac people every year. Your Government needs to formulate a scheme to provide employment to at least fifty lac people per year. What is your opinion in this regard?

[English]

SHRI P. CHIDAMBARAM: This Question deals with specific schemes like SPRY, PMRY, etc. Employment is a separate question. The Member can participate in the Budget discussion or can ask a separate Question on employment.

MR. SPEAKER: Now, Question No. 163.

...(Interruptions)

MR. SPEAKER: I have allowed 14 hon. Members on one Question. Even then you are not satisfied.

...(Interruptions)

#### Debt Burden of the Country

\*163. SHRI SURESH KURUP:  
SHRI MOHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the internal and external debt of the country as on date;

(b) whether there was a steep hike in external and internal debt during 2003-004;

(c) whether Non-Resident Indians' deposits have influenced the level of external debt of the country as reported in the "Hindu" dated the June 19, 2004;

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

(e) the amount of interest and debt servicing charges being paid for these loans annually;

(f) whether the Government proposes to prepay the foreign debt keeping in view the strong forex reserve;

(g) if so, the details thereof; and

(h) the steps taken by the Government to reduce the debt burden of the country?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (h) A statement is placed on the Table of the House.

#### *Statement*

(a) The Revised Estimates for 2003-2004 place the internal debt of the Central Government at Rs. 1,134,020 crore as on March 31, 2004. The external debt of the Central Government, at current exchange

rates, amounted to Rs. 184,099 crore as on March 31, 2004.

(b) No, Sir. During 2003-2004, the internal debt of the Central Government increased by 11.1 per cent as compared to an increase of 11.8 per cent in 2002-2003. However, the external debt on Government account registered a decline of 6.1 percent during 2003-2004 as compared to the decline of 1.9 per cent in 2002-2003.

(c) Yes, Sir.

(d) The NRI deposits increased by US \$ 7.2 billion during the year ending December 2003. The increase in NRI deposits mainly reflected the crediting of the maturity proceeds of Non-Resident (non-Repatriable) Rupee Deposit [NR (NR) RD] Accounts into the Non-Resident (External) Rupee Accounts [NR(E)RA] of the holders effective April, 2002. The deposit under the NR(NR)RD scheme were not included earlier as a component of the stock of external debt given their non-repatriable character.

(e) Details of interest and debt service payments made during the last two years in respect of internal and external debt of the Central Government are as under:

#### *Debt Service Payments*

(Rs. in Crore)

	Internal Debt		External Debt	
	2002-03 (A)	2003-04 (RE)	2002-03	2003-04 (P)
Interest Payment	91,472	95,345	4,532	3,182
Principal Repayment*	62,874	1,29,641	24,030	25,194
Total Debt Service Payments	1,54,346	2,24,986	28,562	28,376

\*Excludes discharge of 91 days & 14 days Treasury Bills, Ways & Means Advances in respect of Internal debt.

A: Actuals; RE: Revised Estimate; P : Provisional.

(f) and (g) Taking advantage of the low level of interest rates prevailing in the domestic market and the comfortable level of foreign exchange reserves, the Government of India has prepaid multilateral and bilateral loans to the extent of US \$2.9 billion and US \$ 3.8 billion during the years 2002-03 and 2003-04, respectively.

(h) Government has been following the policy of fiscal rectitude which aims at higher tax revenues and

moderation in the growth of non-plan expenditure so as to reduce the revenue deficit and gross fiscal deficit and thereby contain borrowings. Enactment of Fiscal Responsibility and Budget Management Act, 2003 and its notification along with rules made thereunder on July 5, 2004 are reflective of the commitment of the Government to eliminate revenue deficit and moderate public debt in a time bound manner. Similarly, prudent external debt management policies pursued by the

Government have helped in maintaining a comfortable external debt position. These policies include emphasis on raising funds on concessional terms with longer maturities, close monitoring of the short-term debt, prepaying high cost loans and encouraging non-debt creating capital flows.

MR. SPEAKER: Except the supplementary being put by Shri Suresh Kurup, nothing else will be recorded.

...(Interruptions)\*

SHRI SURESH KURUP: Sir, as we all know, the interest rates have started going up in US. This has resulted in throwing away of funds from emerging markets including India to US and other developed markets. This is definitely going to affect our foreign exchange reserves. Added to this, the Finance Minister's new proposal to levy tax on to the interest of the NRI deposits will also give an impetus to the outflow of these funds.

I would like to know from the Finance Minister what the Government of India propose to do to counter the impact of all these things on foreign exchange reserves and also on our domestic interest rates. Considering the fact that there is severe criticism from various State Governments, especially from the Government of Kerala about the new interest proposed to be imposed by him, will he review that proposal?

SHRI P. CHIDAMBARAM: Sir, this Question deals with the internal and external debt of the country which I understand means internal and external debt of the Government of India. There are 120 billion dollars of foreign exchange. Now there is a cost to this foreign exchange reserve and Members would be aware that there is a huge sterilization cost. Now, we want NRI deposits. At the same time, we also have to keep a watchful eye on monetary policy and on larger questions of public finance. I have answered the Question extensively by pointing out how India's debt position is improving, how we are able to pre-pay debt and how our debt service ratio is coming down.

Hon. member is asking about a proposal regarding tax treatment of NRI deposits. That requires a separate Question because the tax treatment of NRI deposits will require a more elaborate answer. I will bring before this House the tax provisions and how it is treated. I would request the hon. Member to put a separate Question if he wants to know the tax treatment of NRI deposits.

SHRI SURESH KURUP: Sir, I was specifically mentioning that this new tax proposal will definitely affect NRI deposits and our foreign exchange reserves. It is going to affect the State Governments like Kerala. I think the Government of Kerala has already represented to the Finance Minister regarding this.

MR. SPEAKER: It really does not arise out of this.

SHRI P. CHIDAMBARAM: Sir, let me tell the hon. Member that the NRI deposits will not be affected by the tax treatment of NRI deposits. If he puts a separate Question or if he participates in the debate, I will explain the position to him.

SHRI SURESH KURUP: Now I come to internal debt situation of the country. We all appreciate the Finance Minister's proposal to reduce tax on the loans given to the State Governments. But I would like to point out that this is not enough because the financial position of the State Governments is in critical situation. So what I would like to know from the Finance Minister is whether the Central Government would consider writing off, at least, a portion of the outstanding loan of the State Governments so as to fiscally empower the State Governments.

SHRI P. CHIDAMBARAM: Sir, how is it possible to make a policy statement of this nature with far-reaching implications in the scope of an answer to a question?

MR. SPEAKER: But I believe you have your sympathies.

SHRI KHARABELA SWAIN: Sir, of these loans, the most serious aspect is the short-term debt since the interest rates are the highest in this case. Out of the total loans, will the hon. Minister kindly reply how much is the short term debt of India and what is the rate of interest we are paying for that, as also how do the Government propose to closely monitor such short term loans?

SHRI P. CHIDAMBARAM: Sir, the proportion of short-term debt to total external debt has come down from 10.2 per cent in 1991 to 2.8 per cent in 2001-02. But after that it rose in 2002-03 to 4.4 per cent and in 2003-04, it has again come down to 4.2 per cent. The reason for this rise is banking sector flows. Because of an arbitrage opportunity, banking sector flows have increased in the last two years. That is why, there is a rise in the proportion of short-term debt to total external debt.

SHRI KHARABELA SWAIN: You have mentioned that you are going to monitor it. How are you going to monitor it?

MR. SPEAKER: You have already put your question.

SHRI KHARABELA SWAIN: Sir, I had asked that question. The hon. Minister did not answer to this part of the question.

MR. SPEAKER: Shri Swain, thank you. I have given you an opportunity.

SHRI K.S. RAO: Sir, the hon. Minister, in his reply, has stated that the external debt is Rs. 1,84,099 crore and the interest payment is Rs. 3,182 crore. Obviously, the rate of interest that the Government of India is paying comes to less than two per cent. Now, barring a few top industrialists, like the Reliance, the Tatas and the Birlas, if the rest of the industrialists were to approach directly to the term lending institutions, then the rate of interest being charged by them is far more. So, will the hon. Minister think in terms of devising some mechanism for organising loans from the international institutions to those competent and prudent industrialists and entrepreneurs.

MR. SPEAKER: This does not arise out of the main Question.

SHRI K.S. RAO: The Government as the guarantor is charging something from the industrialists. There is an ample opportunity for this country to earn thousands and thousands of crores of rupees from outside.

MR. SPEAKER: Please understand that we have only one hour for Questions.

SHRI K.S. RAO: I would like to know whether the Government will think in terms of some mechanism to arrange for loans to those competent industrialists at lesser rate of interest through the Government of India.

SHRI P. CHIDAMBARAM: Sir, with great respect, I think the premise of this question is wrong. External commercial borrowing of Indian corporates is driven by market forces and those who can access external commercial credit will access commercial credit on the strength of their balance-sheets.

*[Translation]*

SHRI RAMJI LAL SUMAN: Mr. Speaker, Sir, the internal and external debt burden on India is too much.

I would like to say in a brief with your permission that 42 (forty two) percent of the total Government expenditure is gone in the payment of debt and interest. I would like to know from the honourable Minister as to when country would be free from debt and whether he has announced any target or chalked out such roadmap indicating that this country would be free from debt by this date?

*[English]*

SHRI P. CHIDAMBARAM: Sir, our external debt management under successive Governments has been a success story. Irrespective of parties we have followed a very prudent external debt management policy. In fact, if you look at other countries, there are countries which are severely indebted countries; there are moderately indebted countries. We are categorised as a less indebted country. There is a complete consensus across all political parties on how our external debt should be managed. Our external debt management has come for praise from any number of quarters.

*[Translation]*

SHRI RAMJI LAL SUMAN: Mr. Speaker, Sir, I would like to ask from the honourable Minister as to why we have not set any target and whether we would remain indebted forever and in this country. ...*(Interruptions)*

*[English]*

MR. SPEAKER: This is not to be recorded.

...*(Interruptions)\**

SHRI P. CHIDAMBARAM: Sir, let me answer this question.

MR. SPEAKER: I have not asked him to answer but he has volunteered to answer it.

SHRI P. CHIDAMBARAM: Sir, with great respect, there is no merit in the argument that India should not borrow from anywhere in the world. If India is credit-worthy, if Indian projects are credit-worthy and if there is money abroad to invest in those projects, to lend to these projects, then it is in India's interest to take that money. Debt is not, by itself, a stigma. It is your creditworthiness that places you high or low in the rankings.

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\*Not recorded.

[*Translation*]

SHRIMATI KIRAN MAHESHWARI: Mr. Speaker, Sir, I would like to ask from the honourable Minister through you, that the loan which we are borrowing from the foreign Banks are sanctioned but they are not disbursed. I would like to draw our attention particularly, to those autonomous bodies to whom the loan sanctioned by the foreign Bank, World Banks for their development projects are not disbursed accordingly because these bodies do not have infrastructure. In that situation once loan is sanctioned, the interest there on becomes chargeable. In fact these autonomous bodies do not get loan. Do you have any data so as to ascertain the number autonomous bodies who have received?

[*English*]

SHRI P. CHIDAMBARAM: Sir, I am sure that the figures are available in the Ministry. But this supplementary does not arise from the main Question.

MR. SPEAKER: You may give a separate notice or write to him.

SHRI P. CHIDAMBARAM: The hon. Member may write to me.

[*Translation*]

#### Handloom Industry

+  
\*164. SHRI CHENGARA SURENDRAN:  
SHRI BHUPENDRA SINGH SOLANKI:

Will the Minister of TEXTILES be pleased to state:

(a) whether a demand is being made to the Union Government to save the handloom industry;

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

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

(d) whether the Government has any proposal to resume various assistance schemes that were in operation earlier to assist handloom industry; and

(e) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) Demands have been made to the Union Government to save handloom weavers and remove excise duty on hank yarn.

(b) Yes, Sir.

(c) The Finance Minister in his Budget Speech on 8th July 2004 has proposed to introduce a new tax regime for the textile sector, under which the mandatory CENVAT chain will stand abolished and there will be no mandatory excise duty on pure cotton, wool and silk, whether it is fibre, yarn, fabric or garment.

(d) No, Sir.

(e) Does not arise.

SHRI CHENGARA SURENDRAN: Mr. Speaker Sir, the handloom industry in Kerala is facing a serious crisis. Unemployment among the handloom workers is a burning problem. Their families are living in acute starvation. What measures are taken by the Government to revitalise the handloom industry and save the lives of these poor workers?

During the festival season, especially the Onam season, will the Government provide rebate for handloom products?

[*Translation*]

SHRI SHANKER SINH VAGHELA: Mr. Speaker, Sir, the complete 'CENVAT' chain has been abolished. A lot of incentive is being given and special incentive is also included. If you have any proposal, send it and I will also consider over it. ...(*Interruptions*)

[*English*]

MR. SPEAKER: Please do not cross the hon. Member who is speaking.

SHRI CHENGARA SURENDRAN: Sir, I want to know whether the Government will give the details of the proposal to modernise the handloom industry to make it competitive in the open market.

[*Translation*]

SHRI SHANKER SINH VAGHELA: Mr. Speaker, Sir, we are providing special incentive and ten percent special

incentive used to be given earlier also and it stands even today. We are thinking of moving ahead after monitoring and reviewing.

SHRIMATI JAYAPRADA: Mr. Speaker, Sir, thank you very much. This industry generates more employment than agriculture in our country and its essential requirement is raw material i.e. yarn I would like to know from the hon'ble Minister whether any survey has been conducted in this regard as to how much quantity of yarn is required per year and what arrangements have been made in this regard. Since all handloom industries are scattered, if a syndicate of self-help groups is made for this industry. There will be more concentration and their fast upliftment can be ensured. Whether the Government have any scheme for the purpose?

SHRI SHANKER SINH VAGHELA: Madam has asked a very good question. As far as textile sector is concerned, after almost exempting the excise duty on export, new investment of nearly 60 thousand crore rupees will be made in 2-3 years. Every year about two lakh people would get employment opportunities in this industry. You have asked for review. We will certainly conduct a review of this sector. We will modify the ongoing schemes of the government, either it may be Janta Cloth Scheme or Deendayal Handloom Scheme, and will bring good schemes, and thereby will develop handloom cluster. ...*(Interruptions)*

SHRIMATI JAYAPRADA: My question is that the schemes are formulated by the government.

*[English]*

We are appreciating it. But they have to do still more.

*[Translation]*

But my question is about shortage of raw material. How you will make available the raw material. And what is the estimated consumption of raw material every year?

SHRI SHANKER SINH VAGHELA: I do not have details about it, right now. I will send the details in this regard to you. But the Government is very much concerned about supplying the raw material.

*[English]*

SHRI ADHIR CHOWDHARY: Sir, handloom is very much linked to our tradition, culture and heritage. In

view of its huge potentialities in providing jobs, some effective supports are required for this sector.

May I ask the hon. Minister which are the existing effective supports provided to the sector in terms of steel upgradation, market linkage, etc. along with the comprehensive welfare measures provided to this sector in consultation with the State Government? What is the rate of conversion from the third level handloom to the powerloom?

*[Translation]*

SHRI SHANKER SINH VAGHELA: Mr. Speaker, Sir, handloom industry of each state monitors Mill Gate Price Scheme, the state government used to receive subsidy of 1.00 or 1.25 percent from the Ministry of Textiles. You have talked about promotion of handloom industry the Government of India are very much concerned about the matter. To take off the entire industry, budgetary provision has been made. In the coming days we will consider your proposal and take appropriate steps in this regard.

*[English]*

SHRI P. KARUNAKARAN: Sir, handloom societies and various unions in this sector have represented to the Government to re-introduce the rebate instead of this MDA. MDA is also applicable up to 2007. This is not helpful to the handloom sector.

So, will the Government reconsider reintroduction of rebate? The Government of Kerala has requested the Central Government to give some special incentive schemes to save the handloom sector. Will the Government consider all these issues?

*[Translation]*

SHRI SHANKER SINH VAGHELA: Provision of Rs. 1067.13 lakh, Rs. 679.35 lakh and Rs. 36.95 lakh respectively has been made for the year 2002-2003, 2003-2004 and 2004-2005 under Deendayal Hathkargha Protsahan Yojana (Deendayal Handloom Encouragement Scheme). Similarly, provision has also been made for Marketing Promotion Programme. Provision has also been made for workshed cum Housing Scheme, weaver welfare scheme, Health Package Tariff Fund, Group Insurance and New Insurance Handloom Export. There are Handloom Export Scheme, Enforcement Market Development Assistance and 10 percent special rebate is provided for reimbursement of CENVAT. Likewise

under the said scheme the government provide assistance to the tune of 50 percent to each state. But the states like Gujarat and other states should extend their due support. However, Kerala is an exception in this regard. Your state government is providing good support in this regard. The other states are not giving the required response. So, the government will come with a new scheme after conducting full review in this regard so that the handloom sector and the weavers could get support.

SHRI RATILAL KALIDAS VARMA: Mr. Speaker, Sir, the handloom industry is directly linked with the weavers. But, even after so many schemes for welfare of weavers till date the weavers have not made any progress so far. Even today their condition remains the same in the country. I, through you, would like to know from the hon. Minister that weaver is a labourer, he is not an owner. He can not employ the weavers. He is not in a position to be an owner who can provide jobs to his companions. Has any scheme been formulated in this regard? Time and again there is shortage of yarn in Gujarat. Due to non-availability of yarn the weavers have to sit idle and they are in distress. Has any arrangement been made to make available yarn to them at fair prices?

*[English]*

SHRI SHANKER SINH VAGHELA: A quantity of 425 million kilogram of yarn was being delivered to the hank yarn sector in 2003-2004.

*[Translation]*

One weaver insurance scheme of the Government of India is under the Ministry of Textiles itself. There has been no progress in it. Taking into account, whatever you have said about the weavers, a cluster should be developed which may include all the weavers and the Government should monitor it completely. In the coming days we would take care of it on the basis of the cluster.

*[English]*

SHRI AJAY CHAKRABORTY: The weavers are the weaker sections of our society. Due to lack of infrastructure as also due to financial crisis, they are becoming ruined day by day. In view of the position, I would like to know from the hon. Minister whether the Government of India is considering to render all possible financial assistance to the weavers so that they can develop their infrastructure in order to compete with the power-loom sector.

*[Translation]*

SHRI SHANKER SINH VAGHELA: Handloom sector is completely decentralized. Whatever financial incentives

are to be given in organising it. We would provide and think about it. In order to have the cluster developed, its complete monitoring and adequate development, we are going to implement a cluster scheme.

*[English]*

SHRI M.P. VEERENDRA KUMAR: I would like to know from the hon. Minister one thing. The point is that the textile industry is suffering because of the marketing problem. In the textile industry people have to market their products. Will the Government instruct its various Government Departments to buy handloom clothes for their use and also instruct the schools to buy the handloom textile for the purpose of uniform to help the textile industry—as Shri Lalu Prasad Yadav has done it in the Railways—so that textiles could be sold? If it is done, the market support could be given to this sector.

*[Translation]*

SHRI SHANKER SINH VAGHELA: Speaker Sir, the proposal of the Hon'ble Member is very impressive. I appreciate that in all the departments of Government of India like Ministry of Health or Railways, the Handloom Cloth may be used for the sofa cover as well as for other items too. If you look at the Prime Minister office, you will find that it is being used there also. Apart from it, we would also use it in other places.

*[English]*

MR. SPEAKER: Between Khadi and Handloom, what will the mill cloth do?

*[Translation]*

SHRI JYOTIRADITYA M. SCINDIA: Speaker, Sir, Chanderi is a heritage of handloom in my constituency. Approximately 20 thousand people get employment as a result of the expenditure on this handloom. I would like to ask the hon'ble Minister whether several clusters have been developed there also, just like they have been developed in the area of textiles as Tiruppur in South India. Two things are most important in Handloom sector. One is to bring the business to the weavers and help the weavers to search the market. Secondly what steps the Ministry proposes to take about the new technology in the handloom sector.

SHRI SHANKER SINH VAGHELA: Speaker, Sir, there is no question of new technology in the Handloom Sector. Just now, the hon'ble Member has told about



Chanderi. Our patola designs on cloth have been very old. These are becoming outdated. In developing the cluster, all these will be included so that the middle men could not earn more money and the real handloom weavers get the benefit. We would take care of it. Apart from this, we also have a plan to eliminate the role of the middlemen.

MS. MEHBOOBA MUFTI: Speaker, Sir, there was an Integrity Package for Jammu & Kashmir under Ministry of Textiles in which Rs. 31 crores were allocated earlier. Subsequently, that was brought down to Rs. 21 crore. Now, we have heard that only Rs. 4 crore have been allocated for this while we all know that Handicraft Industries is the backbone of Jammu & Kashmir. It has suffered a lot in the last fifteen years.

*[English]*

I would like to know from the hon. Minister whether he is going to go through this and correct the mistake or the loss that has been caused to the State.

*[Translation]*

SHRI SHANKER SINH VAGHELA: Speaker, Sir, Madam has rightly pointed out. The whole country sympathizes with Jammu & Kashmir. If, the Finance Minister has allocated a meagre amount for handicraft as you have stated, and if the previous Government had allocated more money, then we would request the Finance Minister on your part to provide you adequate money. If you invite us to Kashmir, we would visit there and make effort to ensure that the Handicraft receives more incentives.

SHRI PRADEEP GANDHI: Mr. Speaker, Sir, through you, I want to know from the Minister that as the Finance Minister has selected some areas in the Handloom Industry and given concession thereto, whether the Central Government would issue directives and request the State Governments to encourage the use of the goods produced by Handloom sector in the certain areas. *...(Interruptions)*

In the past, the export orders for the supply of Handloom made goods were received from abroad. Chattisgarh received order from Sweden and bed sheets were exported from here. Whether such orders from abroad are being received and what steps government is taking in this respect?

SHRI SHANKER SINH VAGHELA: Speaker, Sir, if we receive the orders from abroad, we would try to execute them and supply accordingly.

### Free Trade Agreement

\*165. SHRI RAGHURAJ SINGH SHAKYA:  
SHRI MILIND DEORA:

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

(a) the countries with which India has entered into free trade agreement;

(b) whether the Government has studied the likely effects of free trade on indigenous industries;

(c) if so, the details thereof;

(d) the steps taken or proposed to be taken to protect the indigenous industry;

(e) whether Government is taking care of the rules of origin with different countries with regard to FTA; and

(f) if so, the details thereof?

*[English]*

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (f) A Statement is laid on the Table of the House.

### Statement

(a) India has entered into Free Trade Agreements with the following countries/regions:

(i) India—Sri Lanka Free Trade Agreement signed on 28th December, 1998 and the implementation began in March, 2000.

(ii) The Agreement on South Asian Free Trade Area (SAFTA) signed by the SAARC member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) during the 12th SAARC Summit held in Islamabad on 6th January 2004. The Agreement is scheduled to come into operation from 1st January 2006.

India has also bilateral trade treaties with Nepal and Bhutan, under which duty free imports are allowed, from these two countries on the principle of non-reciprocity.

(b) and (c) Before giving any tariff concessions under the Free Trade Agreements (FTAs), consultations are held with the domestic stake holders through the Apex Chambers of Commerce and Industry as well as the administrative Ministries and Departments. Detailed consultations are held with the domestic stakeholders while preparing the Negative/Sensitive List items on which no tariff concessions shall be granted under the FTA.

(d) The objective of the FTAs is to provide preferential access to imports on only such products which are produced or manufactured in the Signatory Parties only. For this, preferences under the FTAs are subject to fulfilment of the qualifying criteria under the Rules of Origin prescribed for each Agreement. To protect the vulnerable sections of the domestic industry, these Agreements provide or each country to maintain a negative/sensitive list of items in which no tariff concessions shall be granted under the FTA. In addition, the Agreements provide for trade defence measures which an importing country can take recourse to. In case of a surge in imports and injury to the domestic industry, a country is allowed to take measures such as anti-dumping and safeguards. The Agreements also provide for cooperation among customs authorities for ensuring that the Rules are not violated.

(e) and (f) The tariff preferences granted under the FTAs are subject to the fulfilment of the qualifying criteria as prescribed under the Rules of Origin. For the purpose of determining the originating status under the Rules of Origin, goods are classified under two categories namely, wholly obtained and not wholly obtained. In our negotiations on the Rules of Origin for the not wholly obtained category of goods under FTAs with our trading partners, due care is being given for specifying value addition, substantial transformation and defining the non-qualifying operations.

*[Translation]*

SHRI RAGHURAJ SINGH SHAKYA: Mr. Speaker, Sir, India is a country with a population of 100 crores but its technique oriented industries are not at all practicable, as all the work in these industries is done by machines instead of labourers. Due to which unemployment is increasing. Labour intensive industries of our country are being closed. I wanted to ask hon. Minister whether any steps are being taken to encourage labour intensive industries. Are the Government taking any decision in this regard?

*[English]*

MR. SPEAKER: Mr. Minister are you in a position to reply to this?

SHRI E.V.K.S. ELANGOVA: Sir, this supplementary does not arise out of the main question.

*[Translation]*

SHRI RAGHURAJ SINGH SHAKYA: Mr. Speaker, Sir, our industries are unable to join these countries with which the international agreements have been reached. ...*(Interruptions)*

MR. SPEAKER: Time is short. Please ask questions quickly.

...*(Interruptions)*

SHRI RAGHURAJ SINGH SHAKYA: The goods coming from these countries are not durable, their standard has been declining and people over here are getting trapped in temptations. Indian Markets are flooded with Chinese goods but these items became unusable in two or three days. None of their products is durable but the people of our country are getting trapped in temptations. In our country the industries are being neglected because of higher costs of industries and costly labour, and they are being closed. I would like to ask the Minister, whether the Government will ensure that the products from China or other countries will be durable and labourers would be given their remunerative wages. The Government would like to pay attention to it?

*[English]*

SHRI E.V.K.S. ELANGOVA: Sir, this question deals with the Free Trade Agreement between India and Sri Lanka. I think the hon. Member should put a different question.

MR. SPEAKER: It does not talk of Sri Lanka only.

SHRI E.V.K.S. ELANGOVA: He was talking of China. India does not have any Free Trade Agreement with China.

MR. SPEAKER: Please say that All Right. It does not arise.

*[Translation]*

SHRI AVINASH RAI KHANNA: Mr. Speaker, Sir, Ferozpur has common border with Pakistan. I would like to ask Mr. Minister whether it will be opened for trade? It may also be answered whether the people having old licenses will have to secure new licenses or their old ones would be valid.

*[English]*

SHRI E.V.K.S. ELANGO VAN: Sir this supplementary does not arise because the main question deals with the Free Trade Agreement with Srilanka and we are not having any Free Trade Agreement with Pakistan.

MR. SPEAKER: Yes, that is the point. He has answered it.

*[Translation]*

PROF. RASA SINGH RAWAT: Mr. Speaker, Sir, through you, I would like to know from the Government the names of those countries with which Free Trade Agreement has been signed and the names of those countries with which Free Trade Agreement is proposed to be signed. Would the interests of India be properly safeguarded in this regard? So that the indigenous industries are not harmed.

12.00 hrs.

*[English]*

SHRI E.V.K.S. ELANGO VAN: Sir, this is already in the reply, which has been laid on the Table of the House. For the information of the hon. Member, I will read it again.

"India has entered into a Free Trade Agreement with the following countries/regions:

- (i) India-Sri Lanka Free Trade Agreement, signed on 28th December 1998 and the implementation began in March 2000.
- (ii) The Agreement on South Asian Free Trade Area (SAFTA) was signed by SAARC member countries, that is, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka during the Twelfth SAARC Summit held in Islamabad on 6th January 2004. The Agreement is scheduled to come into operation from 1st January, 2006". ...*(Interruptions)*

*[Translation]*

SHRI PRABHUNATH SINGH: Mr. Speaker, Sir, from where the Minister is reading? ...*(Interruptions)*

*[English]*

MR. SPEAKER: Question Hour is over.

...*(Interruptions)*

MR. SPEAKER: I will give you the opportunity at the appropriate time.

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## WRITTEN ANSWERS TO QUESTIONS

*[Translation]*

### Financial Assistance/Loan to States by NABARD

\*166. SHRI SURESH CHANDEL:  
SHRI TATHAGATA SATPATHY:

Will the Minister of FINANCE be pleased to state:

(a) the amount of loan sanctioned by NABARD to various State Governments out of Rural Infrastructural Development Fund (RIDF) for creating new rural infrastructural units and also for completing infrastructure projects during the last three years as on date, State-wise;

(b) the details of the infrastructure projects under implementation in different States and progress thereof during the last three years;

(c) whether despite increase in funds every year, there has been continuous decrease in loan distribution by the Rural Infrastructure Development Fund;

(d) if so, the reasons therefor;

(e) the steps taken by the Government for increasing consolidated amount in Rural Infrastructure Development Fund constituted under NABARD;

(f) whether NABARD has made any Scheme to grant direct loan to customers; and

(g) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) National Bank for Agriculture & Rural Development (NABARD) has sanctioned an amount of Rs. 16,414 crores to various State Governments under Rural Infrastructure Development Fund (RIDF) during the last three years. The State-wise details of the amount sanctioned are given in Statement enclosed.

(b) During the period, NABARD had sanctioned 83481 projects under RIDF, of which 6935 projects have been completed. The projects sanctioned during the year 2001-02 and 2002-03 are expected to be completed by 31st March, 2005. The implementation period for the projects sanctioned in 2003-04 is upto 31st March, 2006.

(c) and (d) There has been a continuous increase in the sanctions made under RIDF, except in RIDF-IX tranche, under which the total sanctions amounting to Rs. 5437.51 crores were within the corpus allocated by Reserve Bank of India (RBI) i.e. Rs. 5,500 crore.

(e) The corpus of RIDF which was Rs. 5,500 crore under RIDF-VIII (2002-03) and RIDF-IX (2003-04) has been enhanced to Rs. 8000 crore under RIDF-X for the year 2004-05.

(f) and (g) Besides providing loans to State Governments for undertaking projects under RIDF, NABARD has recently started providing direct loans to individual borrowers for hi-tech export oriented agricultural projects, projects involving sunrise technologies, and other projects relating to thrust areas in association with commercial banks, on a selective basis, under an arrangement of co-financing.

#### Statement

*State-wise details of the amount sanctioned by NABARD under RIDF during the years 2001-02, 2002-03 and 2003-04*

(Rs. in crores)

Sl.No.	State	2001-02	2002-03	2003-04
1	2	3	4	5
1.	Andhra Pradesh	626.39	909.56	868.20
2.	Arunachal Pradesh	69.41	0.00	15.12
3.	Assam	0.00	76.23	189.75
4.	Bihar	78.76	218.93	84.52

1	2	3	4	5
5.	Chattisgarh	84.42	281.30	432.88
6.	Goa	15.79	16.10	0.00
7.	Gujarat	40.90	283.82	899.21
8.	Haryana	151.92	270.87	153.82
9.	Himachal Pradesh	176.19	196.85	119.87
10.	Jammu & Kashmir	216.80	175.64	153.82
11.	Jharkhand	0.00	0.00	49.13
12.	Karnataka	236.77	231.03	250.31
13.	Kerala	191.76	196.55	91.75
14.	Madhya Pradesh	311.05	575.23	277.46
15.	Maharashtra	529.73	443.09	67.03
16.	Manipur	0.00	0.00	0.00
17.	Meghalaya	18.30	18.39	15.52
18.	Mizoram	7.33	2.00	13.50
19.	Nagaland	0.95	6.68	12.43
20.	Orissa	153.25	246.83	122.84
21.	Punjab	239.98	210.17	288.18
22.	Rajasthan	435.12	346.75	140.27
23.	Sikkim	5.48	4.89	3.30
24.	Tamil Nadu	353.11	387.97	547.73
25.	Tripura	6.79	50.13	0.00
26.	Uttar Pradesh	338.50	322.71	201.24
27.	Uttaranchal	53.96	75.43	226.62
28.	West Bengal	474.41	520.73	213.41
Total		4817.07	8067.88	5437.51

Total for three years—Rs. 16,414 crores.

*[English]*

#### Accidents in Mines

\*167. SHRI DALPAT SINGH PARASTE:  
SHRI BABU LAL MARANDI:

Will the Minister of COAL AND MINES be pleased to state:

(a) whether due to illegal mining, accidents often take place in closed down and dangerous declared coal mines;

(b) if so, the number of such accidents occurred during the last six months and the number of persons killed therein alongwith the compensation granted to them; and

(c) the measures proposed to be taken by the Government to prevent such accidents and to take action against the guilty persons?

THE MINISTER OF COAL AND MINES (SHRI SHIBU SOREN): (a) Yes Sir. Accidents do take place in closed mines due to illegal mining.

(b) and (c) Information is being collected from the concerned State Governments.

#### Violation of Companies Act, 1956

\*168. SHRI PRAKASH PARANJPE:  
SHRI ABDUL RASHID SHAHEEN:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Government is aware that many public limited companies which raise fixed deposits from public do not adhere to the norms and regulations laid down by the Government and the Reserve Bank of India;

(b) if so, the details thereof and the steps taken by the Government to enforce compliance of the norms;

(c) the number of prosecutions initiated by the Ministry of Company Affairs on the errant companies which have violated the Companies Act, 1956 in the last three years, year-wise;

(d) the progress of the cases filed;

(e) whether the Ministry has approached the Company Law Board in regard to the pending cases of violation;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a)

Government are aware that some public limited companies did not adhere to the statutorily prescribed norms and regulations relating to acceptance and repayment of fixed deposits from the public.

(b) Norms have been prescribed for acceptance of deposits under the provisions of the Companies Act, 1956 and the Reserve Bank of India Act, 1934. For companies coming under the purview of the Companies Act, the norms, *inter alia*, are :

- Advertisement is to be issued in the prescribed form;
- Deposits can be accepted for a period of minimum six months but not more than thirty six months;
- Total deposits can not exceed 35% of paid up capital and free reserves;
- Interest rate should not exceed the maximum prescribed by Reserve Bank of India for Non-Banking Financial Companies;
- Maintenance of Liquid Assets of atleast 15% of deposits maturing during the year.

The norms, *inter alia*, in respect of companies coming under the purview of RBI are :

- No company can commence business without a Certificate of Registration from the Reserve Bank of India for which the Company's Net Owned Fund should not be less than Rs. 200 lakhs.
- Compliance with the deposit acceptance norms, like minimum investment grade credit rating where applicable, ceiling on quantum of public deposits, minimum and maximum period of deposits, the ceiling rate of interest, etc.
- Besides, prudential norms including capital adequacy ratio akin to those applicable to banks have been prescribed for such NBFCs.
- Maintenance of Liquid Assets at 15% of public deposits.
- Reporting requirements and furnishing returns at periodical intervals.

Government have taken action including launching of prosecutions against public limited companies both in relation to violation of Rules in acceptance of deposits and defaults in repayments. Special provisions were

inserted in the Companies Act in December, 2000 in relation to defaults in repayment to small depositors and now the public limited companies have to mandatorily report to the Company Law Board any such default made. Directors of a company which has failed to repay its deposits shall not be capable of being appointed Directors of another company in accordance with the provisions of Section 274 (1) (g) of the Companies Act. Auditors are specially required to make a statement whether any Director is disqualified from being appointed as Director. In regard to the companies falling under the purview of RBI also, there are suitable provisions to deal with the acceptance and refund of public deposits and for penalties/prosecutions on account of violation/default.

(c) and (d) The details of prosecutions launched under the Companies Act against companies for non-compliance of provisions relating to fixed deposits during the last 3 years are as follows:

Financial Year	No. of prosecutions launched
2001-02	52
2002-03	57
2003-04*	38

\*The figures are provisional.

These cases are in the Courts in different stages of hearing.

(e) to (g) As per the provisions of the Companies Act, 1956, the Company Law Board is a quasi-judicial body which can initiate proceeding either on its own motion or on the application of the depositor. Ministry receives periodic reports from the Company Law Board

regarding the pendency and disposal of various cases before it under the Companies Act. CLB also furnishes copies of the orders passed in regard to violation of refund of deposits to the Ministry for follow up and taking action for non-compliance of their orders. Prosecutions have been launched by the Ministry for violation of CLB orders.

#### Loan from Japan

\*169. SHRI VIJOY KRISHNA:  
SHRIMATI NIVEDITA MANE:

Will the Minister of FINANCE be pleased to state:

(a) whether Japan Government has agreed to provide a loan of Rs. 5102 crore to India for the schemes related to infrastructure development, poverty alleviation and environmental development;

(b) if so, the details thereof;

(c) the terms and conditions of the said loan;

(d) the details of the projects likely to be financed by this amount, project-wise and State-wise; and

(e) the time by which these projects are likely to be completed?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Government of Japan has extended loan of Yen 125.004 billion (about Rupees 5250 crores) to India for eight projects under Official Development Assistance (ODA) package for financial year (FY) 2003-04.

(b) to (e) Government of Japan has extended loan for the following eight projects under Official Development Assistance (ODA) package for financial year 2003-04:

Name of the Project	Loan amount		Name of State where project is located	Scheduled date of completion of the project
	In Yen millions	In Rs. Crores (approx.)		
1	2	3	4	5
Delhi Mass Rapid Transport System Project (v)	59,296	2490.43	NCT of Delhi	September 2005

1	2	3	4	5
Purulia Pumped Storage Project (II)	23,578	990.28	West Bengal	January 2008
Dhauliganga Hydroelectric Power Plant Construction Project (III)	13,890	583.38	Uttaranchal	March 2005
Rengali Irrigation Project (II)	6,342	266.36	Orissa	December 2007
Kurnool-Cuddapah Canal Modernisation Project (II)	4,773	200.47	Andhra Pradesh	March 2009
Umiam Stage-II Hydro Power Station Renovation and Modernisation Project	1,964	82.49	Meghalaya	September 2008
Bisalpur Jaipur Water Supply Project (Transfer System)	8,881	373	Rajasthan	December 2007
Integrated Natural Resource Management and Poverty Reduction Project in Haryana	6,280	263.76	Haryana	March 2011

The ODA loan for FY 2003-04 is provided at an interest rate of 1.3% per annum for general projects and 0.75% per annum for environment project. Repayment period is 20 years (after a grace period of 10 years) for the general projects and 30 years (after a grace period of 10 years) for environment project.

[Translation]

#### Patenting of Food Products

\*170. DR. RAMKRISHNA KUSMARIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether due to the complexity of the current rules Indian companies are facing difficulties in getting good products patented;

(b) if so, whether Government is considering/ simplifying such complex rules;

(c) if so, the details thereof; and

(d) the names of the food products which have been patented by Indian companies so far?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (d) As per the provisions of the Patents Act, 1970, the inventions claiming substances intended for use, or capable of being used as food are not patentable. However, at present process patents are available for inventions relating to food products. India has an obligation under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) to provide patents, *inter-alia*, for food products with effect from January 1, 2005. The implementation of this obligation will necessitate amendment to the Patents Act.

#### Investment made by UTI

\*171. SHRI NITISH KUMAR:  
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of FINANCE be pleased to state:

(a) whether on the basis of Tarapore Committee Report, the responsibility of the enquiry regarding the investment made by UTI in 89 companies has been entrusted to 17 Chartered Accountants firms;

(b) if so, the total amount invested by UTI in these 89 companies alongwith the names of the companies and the amount invested therein, company-wise;

(c) the company-wise details of the outstanding amount;

(d) the names of the firms which have been assigned the responsibilities of enquiry and the criteria of their identification;

(e) whether the public who have invested several crores of rupees with the UTI are not getting their returns and their faith has eroded; and

(f) if so, the steps taken by the Government to ensure that investees of UTI are fully secured?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Securities and Exchange Board of India (SEBI) has appointed 16 Chartered Accountants' firms for this purpose.

(b) and (c) Details of the outstanding investment of the erstwhile UTI in 89 companies (88 companies, one name repeated) is provided in Statement-I enclosed.

(d) The details of the names of the 16 chartered accountant firms engaged for the purpose is provided in Statement-II enclosed. The audit firms have been identified from the RBI's list of Statutory Central Auditors. Factors taken into account for making the selection, *inter-alia*, include experience of having done mutual fund inspections for SEBI, and not being the statutory auditors of UTI or having members on the UTI board during the period for which the enquiry is to be conducted. Further, the auditors were also asked to disclose their interest in the companies, if any, and their feedback on this aspect was taken into account while assigning the work so as to safeguard against conflict of interest.

(e) and (f) Even though the Net Asset Value (NAV) of US-64 was very low, Government decided to provide at least Rs. 10.00 per unit to retail investors which increased by Rs. 0.10 every month ending at Rs. 12.00 in May 2003. Other investors in US-64 were assured Rs. 10.00 or market value whichever was higher. Government made good to the investors the shortfall in US-64. Similarly, in case of Assured Return schemes the entire capital and promised returns have been paid till the date of closure or foreclosure, with the Government meeting the shortfall.

#### **Statement I**

##### *Outstanding Investment of erstwhile UTI in 88 companies as on 31st January 2003*

(Rs. in lakhs)

Sl.No.	Company	Equity	Debt	Total
1	2	3	4	5
1.	Adani Exports Limited	4236.16	3017.41	7253.57
2.	Aftek Infosys Ltd.	2192.73	0.00	2192.73
3.	Alps Industries Ltd.	829.42	0.00	829.42
4.	Ambica Agarbatti & Aroma Inds. Ltd.	1062.76	0.00	1062.76
5.	ATN International Ltd.	1215.12	0.00	1215.12
6.	B.A.G. Films Ltd.	0.00	750.00	750.00
7.	Balaji Distilleries Ltd.	1799.07	0.00	1799.07
8.	Balaji Telefilms Ltd.	157.98	0.00	157.98
9.	Borax Morarji Ltd.	0.00	0.00	0.00



1	2	3	4	5
10.	BPL Limited	4069.28	0.00	4069.28
11.	Business India Publication Ltd.	0.00	0.00	0.00
12.	DCM Ltd.	1398.62	0.00	1398.62
13.	Dewan HSG Finance Corporation Ltd.	990.20	3303.28	4293.48
14.	Dhar Cement Ltd.	27.28	0.00	27.28
15.	Dhar Industries Ltd.	29.26	0.00	29.26
16.	DSQ Software Ltd.	3386.13	0.00	3386.13
17.	Elbee Services Ltd. (Elbee Express)	808.65	0.00	808.65
18.	Essar Oil Limited	1897.37	12457.41	14354.78
19.	Essar Shipping Ltd.	739.36	7204.14	7943.50
20.	Essar Steel Ltd.	7.09	32839.09	32846.18
21.	Eureka Industries Limited	156.09	0.00	156.09
22.	Futura Polyesters Ltd.	1798.16	0.00	1798.16
23.	Galaxy Entertainment Corporation Ltd.	28.98	0.00	28.98
24.	Geekay Exim (India) Ltd.	850.88	0.00	850.88
25.	GTL Ltd.	17269.21	0.00	17269.21
26.	Gujarat Adani Port Ltd.	4340.06	0.00	4340.06
27.	Himachal Futuristic Communication Ltd.	49717.06	0.00	49717.06
28.	Hotel Leela Venture Ltd.	0.29	867.96	868.25
29.	Hy-Grade Pelletts Ltd.	0.00	23402.58	23402.58
30.	IAG Company Ltd.	0.00	0.00	0.00
31.	Indian Seamless Metal Tubes Ltd.	3747.75	1890.43	5638.18
32.	Information Technologies (I) Ltd.	8546.82	0.00	8546.82
33.	Ispat Industries Ltd.	4436.01	31688.83	36124.84
34.	Jain Studios Ltd.	1230.15	0.00	1230.15
35.	JBF Industries Ltd.	1194.85	0.00	1194.85
36.	Jenson & Nicholson (I) Ltd.	546.63	914.29	1460.92
37.	JIK Industries Ltd.	1957.81	0.00	1957.81
38.	Jindal Iron & Steel Co. Ltd.	0.00	16168.36	16168.36
39.	Jindal Vijaynagar Steel Ltd.	1557.46	37423.63	38981.09

1	2	3	4	5
40.	JK Corp. Limited	3213.41	8301.34	11514.75
41.	Kirloskar Electric Co. Ltd.	95.12	1122.52	1217.64
42.	Kopran Ltd.	1008.25	3990.00	4998.25
43.	Lloyds Steels Industries Ltd.	1385.83	1719.10	3104.93
44.	Lupin Ltd.	3053.61	2947.06	6000.67
45.	Mafatlal Industries Ltd.	2499.50	0.00	2499.50
46.	Malvika Steel Ltd.	402.78	11202.63	11605.41
47.	Malwa Cotton Spg. Mills Ltd.	1987.06	0.00	1987.06
48.	Marwar Hotels Ltd.	1393.20	0.00	1393.20
49.	Mobile Telecommunications Ltd.	1668.18	0.00	1668.18
50.	Modern Threads (India) Ltd.	37.88	1263.96	1301.84
51.	Modi Rubber Ltd.	2360.14	0.00	2360.14
52.	Morarjee Gokuldas Spg. & WVG. Co. Ltd.	308.39	0.00	308.39
53.	MTZ Industries Ltd.	702.06	0.00	702.06
54.	MTZ Polyfilms Ltd.	1776.05	0.00	1776.05
55.	Mukta Arts Ltd.	0.00	0.00	0.00
56.	Numero Uno International Ltd.	910.61	0.00	910.61
57.	Oswal Chemicals & Fertilizers Ltd.	2515.35	11072.05	13587.40
58.	Paam Pharmaceuticals (Delhi) Ltd.	10.16	196.63	206.79
59.	Padmalaya Telefilms Ltd.	0.00	0.00	0.00
60.	Padmini Technologies Ltd.	951.77	610.78	1562.55
61.	Pal-Peugeot Ltd.	410.14	2303.05	2713.19
62.	Parasrampuria Synthetics	1325.57	0.00	1325.57
63.	Pennar Industries Ltd.	724.41	365.60	1090.01
64.	Pentamedia Graphics Ltd.	155.38	0.00	155.38
65.	Prithvi Nandy Communication Ltd.	13.79	0.00	13.79
66.	Rama Phosphates Ltd.	1031.60	1484.25	2515.85
67.	Ranbaxy Laboratories Ltd.	31586.31	0.00	31586.31
68.	Reliance Capital Ltd.	1494.70	0.00	1494.70
69.	Reliance Industries Ltd.	320251.81	197721.05	517972.86

1	2	3	4	5
70.	Reliance Petroleum Ltd.	0.00	0.00	0.00
71.	Roofit Industries Limited	1955.66	500.00	2455.66
72.	S. Kumars Nationwide Ltd.	2526.55	2151.89	4678.44
73.	Satyam Computers Ltd.	60376.49	0.00	60376.49
74.	Shardul Securities Ltd.	0.00	0.00	0.00
75.	Shonkh Technolgoies Ltd.	1230.04	0.00	1230.04
76.	Silverline Technologies Ltd.	2726.74	0.00	2726.74
77.	Soundcraft Industries Limited	1893.86	0.00	1893.86
78.	SSI Ltd.	10893.12	0.00	10893.12
79.	Steel Tubes of India Ltd.	425.16	0.00	425.16
80.	Sun Earth Ceramics Ltd.	1286.71	502.30	1788.01
81.	Sun Infoways Ltd.	528.10	0.00	528.10
82.	Triveni Engineering & Ind. Ltd.	1093.15	0.00	1093.15
83.	Usha Ispat Ltd.	437.34	3036.51	3473.85
84.	Veronica Laboratories Ltd.	0.00	0.00	0.00
85.	Viceroy Hotels Ltd.	842.08	1341.29	2183.33
86.	Visualsoft Technologies Ltd.	4263.09	0.00	4263.09
87.	Welspun India Limited	4195.21	225.00	4420.21
88.	Zee Telefilms Ltd.	52230.70	0.00	57230.70
Grand Total				1081385.15

**Statement II**

Name of the 16 Chartered Accountants Firms engaged for the auditing of the investment made by the erstwhile UTI in 88 companies are as follows:

1. M/s. B.K. Khare & Co.
2. M/s. Singavi, Oturkar & Kelkar
3. M/s. Chhajed & Doshi
4. M/s. M.M. Nissim & Co.
5. M/s. Borkar & Mazumdar
6. M/s. R. Devendra Kumar of Associates
7. M/s. Chaturvedi & Shah
8. M/s. Loonker & Co.
9. M/s. Bhuchar & Chandak
10. M/s. Ummed Jain & Co.
11. M/s. Shankarlal Jain & Associates
12. M/s. N.B. Shetty & Co.
13. M/s. Mukund M. Chitale & Co.
14. M/s. Khandelwal Jain & Co.
15. M/s. Sudit K. Parekh & Co.
16. M/s. Chokshi & Chokshi

*[English]*

**Allocation of funds to Assam by Tenth Finance Commission**

\*172. SHRI ANWAR HUSSAIN: Will the Minister of FINANCE be pleased to state:

(a) the total allocations for Assam and other North-Eastern States by Tenth Finance Commission, State-wise separately specifying respective population of the States;

(b) the allocation for Assam and North-Eastern States by Eleventh Finance Commission;

(c) whether the allocation of Eleventh Finance Commission for Assam was drastically reduced in comparison to its allocation by Tenth Finance Commission;

(d) if so, the reasons therefor;

(e) whether the Union Government has any proposal for special package or allocation for Assam and other North-Eastern States; and

(f) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (f) Finance Commissions recommend the share of States in Union taxes and duties as also the inter-se distribution thereof amongst the States.

Share of North-Eastern States, including Assam estimated by the Tenth and Eleventh Finance Commissions (EFC) on the basis of projected central taxes revenue and specific grants recommended are given in columns 3 and 4, respectively of the statement enclosed.

As will be seen from this statement, devolution of resources to Assam is 61.19% higher during the period 2000-05 compared with the Tenth Finance Commission period, 1995-2000.

All Central Ministries and Departments are mandated to spend at least 10 per cent of their Plan budget for schemes in the NE States. This amounts to an allocation of Rs. 5823 crore in the current year. Moreover, only unspent amounts from this allocation is transferred to a non-lapsable pool for development of the NE States. In the current year, Rs. 650 crore have been provided from this pool for schemes & projects in the NE region.

**Statement**

*Estimated total transfers recommended by Tenth and Eleventh Finance Commission to North-Eastern States*

(Rupees crore)

Sl.No.	State	Tenth Finance Commission (1995-2000)	Eleventh Finance Commission (2000-05)	Population of States-1971 figures adopted by TFC (in lakhs)
		Estimated Transfers	Estimated Transfers	
1	2	3	4	5
1.	Arunachal Pradesh	1768.36	2319.76	4.68
2.	Assam	8328.05	13423.70	146.25
3.	Manipur	2136.62	3226.39	10.73
4.	Meghalaya	1888.85	2971.30	10.12
5.	Mizoram	1802.01	2538.52	3.32
6.	Nagaland	2793.04	4454.80	5.16
7.	Sikkim	698.89	1635.97	2.10
8.	Tripura	2873.21	4376.23	15.56
	Total	22289.03	34946.67	197.92

*[Translation]*

**Opening of Closed Mines**

\*173. SHRI RATILAL KALIDAS VARMA:  
SHRI PRADEEP GANDHI:

Will the Minister of COAL AND MINES be pleased to state:

(a) the number of coal mines lying closed at present and the number of employees working therein;

(b) whether the Government proposes to reopen closed coal mines;

(c) if so, the details thereof;

(d) whether the Government has constituted a committee to extend protection to the workers of closed coal mines in the country; and

(e) if so, the details thereof?

THE MINISTER OF COAL AND MINES (SHRI SHIBU SOREN): (a) 184 mines of Coal India Limited (CIL) and 30 mines of Singareni Collieries Company Limited (SCCL) are at present lying closed. The workers working in these mines have been redeployed in working mines and a few workers are engaged in some of these mines for pumping and safety of adjoining mines. No worker has been rendered jobless due to the closure of these coal mines.

(b) and (c) Closing of mines is an on-going part of the mining process. Mines are closed by coal companies due to various reasons, which mainly include exhaustion of reserves; techno-economic reasons; safety considerations; adverse geo-mining conditions; fire; drowning of Pit; to work through other incline/amalgamated with other mines; due to poor off-take; unviable poor grade of coal etc. Coal companies take a decision to open a closed mine on techno economic considerations—like availability of new technology to make such opening commercially and technically viable.

(d) and (e) Do not arise in view of reply given in parts (a) to (c) above.

#### **Economic Package to Uttar Pradesh**

\*174. YOGI ADITYA NATH: Will the Minister of FINANCE be pleased to state:

(a) whether in view of the regional economic imbalance, the Government has recently conducted any survey in the States;

(b) if so, the details thereof;

(c) the status of eastern Uttar Pradesh as compared to other States of the country and also in comparison to other parts of Uttar Pradesh;

(d) whether the Government proposes to formulate a scheme to give an economic package to regions like eastern Uttar Pradesh so as to remove the economic backwardness of the said region; and

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

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

*[English]*

#### **Assistance to Cooperative Banks**

\*175. SHRI B. VINOD KUMAR:  
SHRI KAILASH MEGHWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the poor financial health of cooperative banks in the country;

(b) if so, the details thereof including the reasons;

(c) whether the Government as well as NABARD have formulated a new scheme to support these Banks; and

(d) if so, the details thereof alongwith restructuring plan?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) As reported by National Bank for Agriculture and Rural Development (NABARD) and Reserve Bank of India (RBI), as on 31st March, 2003, 5 State Cooperative Banks (SCBs), 103 District Central Cooperative Banks (DCCBs) and 317 Urban Cooperative Banks (UCBs) have incurred losses.

(c) and (d) NABARD has prepared a scheme for revitalization of Rural Co-operative Credit Structure envisaging revitalization assistance of about Rs. 14,500 crores to be shared between Central and State Governments in the ratio of 60 : 40 (90 : 10 in the case of Jammu & Kashmir and North-eastern States). It has been decided that the scheme would be implemented after an effective regulatory framework for Cooperative Banks has been put in place. In the meantime, it is proposed to set up a Task Force to recommend an action plan for reviving the Cooperative Banking Institutions. The Task force will be asked to submit its report by 31st October, 2004.

#### **CBI Raids on Revenue Officials**

\*176. SHRI K.S. RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the CBI has recently raided the offices and residential premises of some revenue officers in the country;

(b) if so, the details thereof;

(c) the details of seizures made by the CBI; and

(d) further steps taken by Government against these officers on the basis of outcome of raids?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes Sir. As a part of their nationwide special drive, the CBI conducted searches in the premises of officers of Income Tax and Customs & Central Excise Departments on 25.6.2004. 10 cases under the various Sections of Indian Penal Code, 1860

and Prevention of Corruption Act, 1988 have been registered against 19 officers of these Departments.

(b) and (c) The details are in the statement enclosed.

(d) Out of 19 officers against whom cases have been registered by CBI, 13 officers, as a first step, have been transferred to non-sensitive postings. 5 officers were already under suspension and 1 officer has been placed under suspension on 2.7.2004.

### Statement

#### *Details of cases registered and searches conducted by the CBI on Revenue Officers*

Sl. No.	Case No.	Name of Accused/ Officer(s)	Brief Allegation	Places of search	Detected/ Seizures made by the CBI
1	2	3	4	5	6
1.	RC 3(A)/2004 JDH	Sh. Brij Lal Sahu, Joint Commissioner, Income Tax, Range-I, Bikaner (Rajasthan)	Possession of assets disproportionate to his known sources of income	Residential premises and office premises of Sh. B.L. Sahu	Cash and property worth Rs. 68,35,171/-
2.	RC.3(A)/2004 ACU.III	1.Sh. Ramin Tari, the then Deputy Commissioner of Customs, ACTL, Ballabgarh, presently posted as Joint Commissioner, Directorate General of Systems, New Delhi,  2. Sh. S.L. Bansal, the then Assistant Commissioner of Customs, ACTL, Ballabgarh and other private persons	During 2002-2003, the accused Customs officials in criminal conspiracy with the accused private exporters allowed false DEPB benefits to the extent of Rs. 24 Crore to the companies/firms owned/controlled by the exporters by allowing fraudulent exports to France, UK, Canada and USA cheated Govt. of India in lieu of illegal gratification for several lakhs of rupees and caused corresponding wrongful loss to Govt. exchequer.	Office & Residence of Accused persons.	Besides recovery of incriminating documents, property worth Rs. 6,03,936/- was detected
3.	RC.24(A)/ 2004 ACB/KOL	1.Sh. Bijay Kumar, the then Additional Commissioner of Customs, Kolkata	Cheated Customs Department by falsely declaring complete photocopier machines as incomplete photocopier machine and thereby	Office & Residential premises of Accused	Incriminating documents.

1	2	3	4	5	6
		2. Sh. P.K. Goswami, the then Joint Commissioner of Customs, Kolkata. 3. Sh. Shaukat Ali, the then Customs Appraiser, Customs House, Kolkata and other private persons.	evaded payment of Customs duty.	persons.	
4.	RC.27(A)/2004 ACB/KOL	1. Sh. P.C. Biswas, Superintendent, 2. Sh. P.K. Paul, Inspector. 3. Sh. D.K. Sinha, Inspector.  All of Ghojadanga Land Customs Stations, 24 Parganas West Bengal.	Made an attempt to cheat Customs Department by making claim of Rs. 65 lakhs duty under DEEC scheme by issuing false inspection Report and clearing the export consignment of night gowns valued Rs. 5.46 crore.	Office and Residence of Accused persons.	Incriminating documents and NSC/KVPs worth Rs. 62,000
5.	RC.28(A)/2004 ACB/KOL	1. Sh. P.C. Biswas, Superintendent, Ghodjadia Land Customs Stations, 24 Parganas, West Bengal and other private persons.	Cheated Customs Department for Rs. 2 Crore as duty benefit under DEEC scheme by issuing false Inspection Report & clearing export consignment of non-alloy steel bars and wire rods valued Rs. 5.02 Crore.	Office and Residence of the Accused.	Incriminating documents.
6.	RC.34(A)/2004 ACB/MUM	Sh. Hemant Kothikar, Joint Commissioner of Customs, Exports, JNPT, NhavaSheva	Possession of assets disproportionate to his known sources of income.	Residence Premises of the Accused and his relatives.	Assets worth Rs. 3.87 Crore.
7.	RC.14(A)/2004 GNR	1. Sh. A Pereira, Assistant Commissioner. 2. Sh. P.S. Desai, Superintendent (Technical) 3. Sh. R.I. Patel, Superintendent 4. Sh. D.M. Julka,	It is alleged that the accused persons in connivance with each other had deliberately over looked the matter of M/s. Shiv Metal Corporation of Dhola Pipla, Navsari (Gujarat) with regard to the export of finished goods on the basis of duty free import of copper for international market for the period 2002-2003 thereby causing loss to the tune of Rs. 13 crores to the	Residence premises of all the Accused persons.	Incriminating documents.

1	2	3	4	5	6
		Superintendent 5. Smt. Deepika C. Patel, Inspector. All of Central Excise, Valsad Division, Gujarat	Govt. Exchequer. The unit acquired the status of 100% EOU w.e.f. 24.1.2002. The said firm has no basic manufacturing equipment for the production of export oriented goods and has infact imported copper which were directly sold in the open market.		
8.	RC.31(A)/ 2004 ACB/MUM	1. Sh. R.K. Agarwal, Commissioner of Central Excise, Panvel 2. Sh. A.K. Aswal, Assistant Commissioner, Central Excise, Panvel 3. Sh. Rajesh, CHA*	It is alleged that the accused Shri R.K. Agarwal, Commissioner of Central Excise, Panvel demanded a bribe of Rs. 50 lakh from the complainant who is the owner of an Export Unit. Subsequent to registration of the case, demand verification was conducted and on establishing veracity, a trap was laid. However, at the time of delivery, the accused Shri R.K. Agarwal instructed the complainant to deliver the money to a third party, which eventually did not materialize. However, as an offence under Prevention of Corruption Act was established during verification, so the CBI has taken up investigation and conducted searches.	Residence of Accused 1 & 3	Cash, movable/ immovable property worth Rs. 11,70,000/-
9.	RC.33(A)/ 2004 ACB/MUM	Sh. P.K. Agarwal, the then Deputy Commissioner, Kalyan- 1 Division, Central Excise, Thane	Public servant conspired with accused private parties to cause wrongful gain to themselves and wrongful loss to Govt. of India. Revenue loss would be approximately Rs. 15 Crore.	Residence of the Accused.	Cash of Rs. 5 lac (approx.)
10.	RC.13(A)/ 2004 GWH	1. Sh. Dwipen Bania, Superintendent, Central Excise, Barpeta Road, Assam	Possession of Assets disproportionate to his known sources of income to the tune of Rs. 14,96,515 approx.	Office and Residential premises.	Value of Assets detected/ recoveries made Rs. 24,62,685/- (Approx.)

\*Sh. Rajesh, CHA is a private person and not a Customs/Central Excise Officer.



**Amendment to Securitisation Act, 2002**

\*177. SHRI AJOY CHAKRABORTY:

SHRI UDAY SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the quantum of amount recoverable by banks and financial institutions from corporate defaulters;

(b) whether the Union Government proposes to amend the Banking Securitisation Act and Debt Recovery Tribunal Act;

(c) if so, the details thereof including the reasons;

(d) whether the banks would be given more powers to recover such bad debts;

(e) if so, the details thereof; and

(f) the extent to which the amendments in the Acts is helping to recover bad debts in a specific period?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Reserve Bank of India does not maintain the information in the manner asked for. However, the gross NPAs of Public Sector Banks as on 31st March 2004 were Rs. 50,148 crores, the gross NPAs of Financial Institutions were Rs. 23,785 crores.

(b) and (c) Yes, Sir. It is proposed to amend the relevant provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) with a view to give a fair deal to borrowers and to ensure that the recovery process is not delayed or hampered. Related amendments to the Recovery of Debts due to Banks and Financial Institutions Act, 1993, (DBFI) if necessary, will also be made.

(d) and (e) Banks have already been given powers under the SARFAESI Act to recover bad loans.

(f) The reduction in overall percentage of non-performing loans to gross advances from 14% in 1999-2000 to 9.4% in 2002-03 reflects the salutary impact of the SARFAESI Act 2002 and the DBFI Act 1993, and other measures taken in recovering bad debts.

**Shortage of Staff in Nationalised Banks**

\*178. SHRI N.N. KRISHNADAS: Will the Minister of FINANCE be pleased to state:

(a) whether there has been shortage of staff in nationalised banks in the country;

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

(c) whether any recruitment has been made in the nationalised banks after the closure of the Banking Services Recruitment Boards;

(d) if so, the details thereof, bank-wise;

(e) whether there is any move to re-establish the Banking Services Recruitment Boards; and

(f) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Of the 19 nationalised banks, only 7 banks had following vacancies as on 31.3.2004.

Name of the Bank	No. of vacancies
Allahabad Bank	779
Bank of Baroda	696
Bank of Maharashtra	303
Dena Bank	676
Oriental Bank of Commerce	329
Punjab National Bank	834
Vijaya Bank	430

(c) and (d) Bank-wise details of employees recruited by nationalized banks after the abolition of Banking Services Recruitment Boards i.e. from 1.1.2002 to 30.6.2004 are as follows:

Allahabad Bank	48
Andhra Bank	409
Bank of Baroda	139
Bank of India	33
Bank of Maharashtra	382
Canara Bank	1065
Central Bank of India	355
Dena Bank	20
Indian bank	31

Indian Overseas Bank	222
Oriental Bank of Commerce	297
Punjab National Bank	1113
Syndicate Bank	235
Union Bank of India	432
United Bank of India	176
Vijaya Bank	49
Corporation Bank	429
UCO Bank	332
Punjab & Sind Bank	85

(e) and (f) There is no move to re-establish the Banking Services Recruitment Boards.

#### **Coir as an Agriculture Product**

\*179. SHRI VARKALA RADHAKRISHNAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has received any request from the Government of Kerala to include Coir as an agricultural product under WTO agreement;

(b) if so, details thereof alongwith the action taken by the Government thereon;

(c) whether the Coir industry in the country is facing serious crisis;

(d) if so, whether Government proposes to resume various assistance schemes that were in operation earlier to assist this industry; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) Yes, Sir. The Government has been receiving representations from the State Government of Kerala from time to time for including coir under the scope of the Agreement on Agriculture (AoA) of the World Trade Organisation (WTO). The Government has already filed its negotiating proposals with the WTO for including products such as coir in the rationalization of product coverage in the AoA. The negotiations are scheduled to conclude by 1 January 2005.

(c) to (e) Shrinkage of husk due to disease caused by mites on coconut palms as well as drought in certain areas has resulted in poor yields of the coir fibre. The resulting high prices of coir fibre have made production of coir products uneconomical. The Government has not discontinued any financial assistance schemes in operation to assist the coir industry. On the contrary, in order to mitigate the scarcity of coir fibre a number of measures are being taken including identification of sources of supply in States such as Karnataka, Orissa and Andhra Pradesh to supplement the supplies from Tamil Nadu and Kerala, three de-fibering units have been set up in Alleppey District of Kerala to promote utilization of husk available locally, and various marketing arrangements have been made for distribution of coir fibre to small scale manufacturers of coir products.

#### **Bank Lending to SSI**

\*180. SHRI S.D. MANDLIK:  
SHRI KIRTI VARDHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether small scale and tiny enterprises are not getting adequate loan from the banks;

(b) if so, the reasons therefor and the details of loan provided by public sector banks to such units during 2003-04, bank-wise; and

(c) the steps taken by the Government to ensure that the small scale and tiny enterprises get easy and sufficient loan from banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): ((a) Reserve Bank of India (RBI) has reported that the quantum of credit to SSI Sector by the Public Sector Banks has increased in absolute terms from Rs. 49743 crores in March 2002 to Rs. 52988 crores in March 2003. However, the loans outstanding to SSI Sector as a percentage to Net Bank Credit (NBC) have declined from 12.5% to 11.1% during the same period.

(b) One of the reasons for decline in the percentage of SSI advances is the fact that the rate of growth of Bank Credit to other sectors is higher than the growth of advances to SSI Sector. A Statement showing the

amounts of NBC and SSI advances outstanding in the books of public sector banks (Bank-wise) as at the end of March 2003 is enclosed.

(c) Many policy measures have been taken by Government to ensure that small scale and tiny enterprises get easy and adequate loans from banks. These include :

- (i) The requirement of collateral security for loans upto Rs. 25 lakhs subject to good track record and financial position of SSI Units has been dispensed with.
- (ii) Banks have been advised to enhance the composite loan limit from Rs. 25 lakh to Rs. 50 lakh.
- (iii) In order to pass on the benefits of lower rates of interest to SSI Sector, Banks have been advised to adopt an interest rate band of 2 per cent above and below their PLRs for secured advances.
- (iv) Banks have been advised to open at least one Specialized SSI Branch in each district.
- (v) Banks have been advised by the RBI to fix self set target for growth in advances to SSI Sector over the previous year's achievement and keeping in view the overall trends in growth of net bank credit.
- (vi) Banks are required 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 upto Rs. 5 lakh and 20% 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 units in the tiny Sector.
- (vii) Under the Credit Linked Capital Subsidy Scheme (CLCSS) for technology Upgradation of SSI Units, the rate of subsidy and the ceiling of loans have been enhanced from 12% to 15% and Rs. 40 lakhs to Rs. 1 crore respectively.

**Statement**

*Public Sector Banks—Performance of Lending to SSI Sector*

*Data as on March 2003*

(Rs. in Crores)

Sl.No.	Name of the Bank	Net Bank Credit	Total Advances to SSI
1.	Allahabad Bank	12668.92	861.34
2.	Andhra Bank	10946.02	1077.32
3.	Bank of Baroda	24381.12	3560.38
4.	Bank of India	28960.00	3754.77
5.	Bank of Maharashtra	9358.55	924.14
6.	Canara Bank	35072.00	3884.00
7.	Central Bank of India	22705.00	2399.58
8.	Corporation Bank	9479.86	651.88
9.	Dena Bank	8310.10	1377.45
10.	Indian Bank	10263.64	1003.32
11.	Indian Overseas Bank	14629.21	1826.03
12.	Oriental Bank of Commerce	15933.55	1635.00
13.	Punjab National Bank	39968.00	4789.19
14.	Punjab & Sind Bank	5977.17	877.20
15.	Syndicate Bank	13098.03	1087.35
16.	Union Bank of India	23253.82	2668.19
17.	United Bank of India	7820.00	532.00
18.	UCO Bank	14850.00	1459.00
19.	Vijaya Bank	7068.75	585.80
20.	State Bank of India	115006.33	12392.58
21.	State Bank of Bikaner & Jaipur	6722.84	1111.00
22.	State Bank of Hyderabad	9741.00	968.71
23.	State Bank of Indore	5183.10	712.13
24.	State Bank of Mysore	4671.57	561.95
25.	State Bank of Patiala	9882.00	881.00
26.	State Bank of Saurashtra	4542.17	772.30
27.	State Bank of Travancore	7406.87	634.10

[English]

### Protecting Indian Interest in WTO

\*181. PROF. RASA SINGH RAWAT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the strategy chalked out by the Government to protect the interest of India in WTO;

(b) the steps being taken by the Government to continue subsidy in agriculture sector and other sectors in India; and

(c) the expected advantage and disadvantage to India in near future on account of joining WTO?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) The main elements of India's strategy at the WTO are as follows:

- (i) Increased market access, particularly in developed country markets, for Indian agricultural and industrial products;
- (ii) Full development of India's vast potential in the services sector with special emphasis on areas of export interest to India and other developing countries, such as information technology, professional services, and easy access for professionals and skilled persons into developed country markets;
- (iii) Collaborative action with other developing countries to use the WTO as an instrument for global development, with emphasis on the problems of the poorest people; and
- (iv) Protection of sensitive and vulnerable sectors in India, specially in agriculture.

As part of this strategy to protect its national interests, India has been coordinating continuously with other Members of the World Trade Organization (WTO) holding similar interests and concerns on various issues in the on-going negotiations under the Doha Work Programme, including in agriculture. Thus India is part of developing country groupings like the G-20 (in agriculture) and G-16 (in Singapore Issues). At Geneva, India is also part of the Like Minded Group (LMG) of developing countries which coordinates positions of concern and interest to developing countries in the WTO

such as the liberalisation of Mode 4 in services. In respect of all these issues, including negotiations on agriculture and non-agricultural products market access, discussions are taking place in the various negotiating bodies to come to a common understanding on the framework of negotiations. These efforts are aimed at achieving a balanced outcome at the end of these negotiations, including requisite special and differential treatment for developing countries to enable them to meet developmental and specific trade concerns, in these negotiations.

(b) From the WTO point of view, there is no move to discontinue subsidy in agriculture in developing countries. The main constraint for India would be lack of resources, not WTO stipulations. In other areas, India is bound by the provisions of the WTO Agreement on Subsidies and Countervailing Measures, concluded as part of the Uruguay Round. Further, in the ongoing negotiations under the Doha Work Programme, India has urged for continuation of existing flexibilities in the Agreement on Subsidies and Countervailing Measures as part of the special and differential treatment for developing countries so that India could continue to use the permissible subsidies.

(c) A multilateral system of rules in international trade, based on the principles of non-discrimination and binding dispute settlement system, is always of advantage to developing countries like India, because of the inherent inequality in the international trading structure. Since India joined the WTO, India's exports have gone up from US \$ 26.33 billion in 1994-95 to US \$ 61.85 billion (provisional) in 2003-2004. India's share of world merchandise trade has gone up from 0.6% in 1995 to 0.8% in 2002, while that in respect of commercial services has gone up from 0.7% to 1.5% in the same period. As the Indian industry and service sectors continue to expand rapidly and as our agricultural productivity increases as a consequence of internal reform, India expects to be one among the major global players within the next few years. The multilateral trading system is expected to enable India to fully exploit its potential.

### Assistance to Sericulture

1357. SHRI SUNIL KHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has granted financial assistance to sericulture farmers in the country;

(b) if so, State-wise and year-wise details for the last three years;

(c) whether the Government has conducted study about the conditions of sericulture farmers; and

(d) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) and (b) The Govt. of India has been implementing various centrally sponsored schemes and programmes through Central Silk Board, Bangalore in collaboration with the State Sericulture Departments under which financial assistance is provided to the sericulture farmers. Details of State-wise and year-wise financial assistance provided during the last three years is enclosed as statement.

(c) and (d) The research Institutes of Central Silk Board often conducts surveys for identifying the gaps in transfer of technology and reasons for low or non-adoption of technology and suitably design the research extension programmes. In addition, the Institute for Social and Economic Change, Bangalore has conducted studies on the socio-economic conditions of farmers engaged in sericulture in the Southern Zone. Studies have been conducted by Indian Standard Institute, Kolkata in the Eastern Zone and the Entrepreneur Development Institute, Ahmedabad.

#### **Statement**

#### *State-wise Details of and year-wise financial assistance provided during the last three years*

(Rs. in Lakhs)

Sl.No.	Name of State	Funds Released/Spent During		
		2001-02	2002-03	2003-04
1	2	3	4	5
1.	Karnataka	364.96	671.85	572.40
2.	Tamil Nadu	107.11	43.53	119.04
3.	Jammu & Kashmir	60.98	29.25	138.78
4.	Andhra Pradesh	237.50	1362.13	832.24
5.	West Bengal	81.80	50.31	30.36
6.	Maharashtra	28.17	64.64	74.35

1	2	3	4	5
7.	Madhya Pradesh	—	35.82	70.90
8.	Orissa	14.79	29.42	18.59
9.	Bihar	1.96	94.53	154.35
10.	Jharkhand	—	102.33	126.57
11.	Uttar Pradesh	24.01	12.10	35.73
12.	Uttaranchal	—	81.83	86.54
13.	Kerala	7.31	28.38	66.81
14.	Himachal Pradesh	—	—	250.06
15.	Chattisgarh	—	1.14	84.11
16.	Sikkim	3.00	15.16	14.65
17.	Assam	113.85	57.17	245.91
18.	Arunachal Pradesh	7.53	2.62	48.79
19.	Manipur	—	—	22.82
20.	Meghalaya	35.73	21.38	87.39
21.	Mizoram	12.79	52.36	85.84
22.	Nagaland	7.96	2.49	9.36
23.	Tripura	—	13.16	25.31
Total		1109.45	2771.60	3200.90

#### **Problems faced by Handloom Sector**

1358. SHRI M.K. SUBBA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government has recently received any representation, through Members of Parliament and otherwise, from the Handloom Export Promotion Council, highlighting the problems faced by producers and exporters of Handloom export, including the high cost of production, low productivity and the competition that Indian Handloom have to face in International market;

(b) if so, what specific issues raised by them, and the aid or relief for the industry have been sought; and

(c) the reaction of the Government and response thereto?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) Yes, Sir. The Chairman, Handloom Export Promotion Council (HEPC) had submitted a Memorandum during the month of June 2004 to the Ministry of Textiles highlighting the problems faced by the handloom exporters including low productivity and high cost of production, etc., it is given to understand that the Chairman, HEPC had also submitted the Memorandum to the Ministry of Finance and addressed letters to few Members of Parliament seeking their help and cooperation in solving the problems faced by the Handloom Industry.

(b) In the memorandum, the following issues were raised/aid or relief sought:

- (i) Removal of supply side constraints.
- (ii) Special efforts to promote export from Northeastern region and Eastern region.
- (iii) Design support to small exporters for product diversification/development.
- (iv) Support for the Market Study and Collection of Trade Information.
- (v) Publicity in the Importing Countries.
- (vi) Benchmarking and Brand Promotion.
- (vii) Restoration of Excise Duty Exemption to Hank Yarn.
- (viii) Restoration of IT Exemption under section 80 HHC.
- (ix) Exemption from excise duty on handloom fabrics/made-ups irrespective of whether it is processed or unprocessed and if processed, with or without the aid of power or steam.
- (x) Special scheme to promote handloom small and medium enterprises.
- (xi) Launching of an integrated cluster development programme.
- (xii) Pressing for Tariff exemption to handlooms in importing countries.
- (xiii) Denial of the benefit or deduction us/ 80 1A/80 IB and 80 HHC(3a) of the Income Tax Act, 1961.

(c) The Chairman, HEPC had personally explained the said problems to Hon'ble Minister of Finance, Hon'ble Minister of Textiles and Hon'ble Minister of Commerce, who have taken note to the suggestions of the Council. In fact, in the recent budget, substantial relief has been provided to Handloom Sector by way of introduction of a new regime under which firstly, the mandatory CENVAT Chain stands abolished and, secondly, there will be no mandatory excise duty on pure cotton, wool and silk, whether it is fibre, yarn, fabric or garment.

*[Translation]*

#### Export of Agro Products

1359. SHRI MITRASEN YADAV : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

- (a) the details of agro-products being exported at present;
- (b) the details of the profits earned; and
- (c) the details regarding foreign currency earned by country from the above exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) to (c) Agricultural exports (excluding tea, coffee, marine product, cotton incl. waste and castor) during 2003-04 (April-Feb.) were at Rs. 20784.96 crore (Source: DGCI & S Calcutta). Some of the major agro products exported are Rice (Basmati and non-Basmati), wheat, tobacco, spices, cashew, oilmeals, sugar, meat and meat products, fresh fruits and vegetables and processed foods.

The profits are earned by individual exporters about which Government has no information.

The foreign exchange earned from agricultural exports was at US\$ 4515 million.

The foreign exchange earned from the agricultural exports during the last three years is as indicated below :

Year (April-March)	Foreign exchange earned (US\$ Million)
2000-01	3672
2001-02	3934
2002-03	4378

(Source : DGCI&S, Calcutta)

However, quantity-wise and product-wise details of exports are given in monthly/annual number of Foreign Trade Statistics of India compiled by the Directorate General of Commercial Intelligence & Statistics (DGCIS), Calcutta, copies of Compact Disk of which are available in Parliament Library.

*[English]*

#### **Ban on Gelatine**

1360. DR. M. JAGANNATH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether sale and use of gelatine is banned all over the country; and

(b) if so, how gelatine is freely available in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELENGOVAN): (a) and (b) The Government has issued a notification No. G.S.R. 59(E) on 21.1.2004 prohibiting possession, sale and use of nitro-glycerine based explosives (gelatin) throughout the country with effect from 1.4.2004, under section 6.1(a) of the Explosives Act, 1884. The concerned licence holders and District authorities have been informed about the notification.

*[Translation]*

#### **Trade Relation with Neighbouring Countries**

1361. SHRIMATI KIRAN MAHESHWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Government is considering to increase trade with the neighbouring countries;

(b) if so, the details thereof; and

(c) the number of the countries with whom India have trade relation at present, the details thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) and (b) Yes, sir. It has been the constant endeavour of the Government to increase bilateral trade with neighbouring countries. The details of bilateral trade of India with its neighbouring countries is enclosed as statement.

(c) At present, India has trade-relations with more than 200 countries. During April-February, 2004, the latest period for which such data is available from Directorate General of Commercial Intelligence & Statistics (DGCIS), Kolkata, India's total exports were US \$55716.92 million, while total imports to India from its trading partners were US \$69034.94 million during April-February, 2004.

#### **Statement**

(Value in US \$ million)

Name of the Country		2002-03 (Apr.-Feb.)	2003-04 (Apr.-Feb.)
Bangladesh	Exports	985.12	1452.60
	Imports	53.92	61.72
	<b>Total Trade</b>	<b>1039.04</b>	<b>1514.32</b>
Bhutan	Exports	29.73	77.93
	Imports	25.80	46.45
	<b>Total Trade</b>	<b>55.53</b>	<b>124.38</b>
China PRP	Exports	1693.46	2496.81
	Imports	2527.17	3611.16
	<b>Total Trade</b>	<b>4220.63</b>	<b>6107.97</b>
Maldives	Exports	29.22	38.44
	Imports	0.31	0.35
	<b>Total Trade</b>	<b>29.53</b>	<b>38.79</b>
Myanmar	Exports	69.63	70.21
	Imports	312.05	363.11
	<b>Total Trade</b>	<b>381.68</b>	<b>433.32</b>
Nepal	Exports	286.14	571.42
	Imports	261.20	239.91
	<b>Total Trade</b>	<b>527.34</b>	<b>811.33</b>
Pakistan	Exports	193.85	237.03
	Imports	40.15	53.67
	<b>Total Trade</b>	<b>234.0</b>	<b>290.7</b>
Sri Lanka	Exports	820.05	1164.42
	Imports	77.15	120.85
	<b>Total Trade</b>	<b>897.2</b>	<b>1285.27</b>

*[English]***Tax Defaulters**

1362. SHRI PRABHUNATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether due to weakness in internal control number of defaulters have increased manifold during April 2001 to September, 2001 in comparison to the corresponding period of previous year, involving duty to the extent of Rs. 215.04 crores;

(b) if so, the steps have been taken to remove the weakness in internal control;

(c) whether the number of defaulters have increased from October, 2001 to date; and

(d) if so, the details thereof?

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

*[Translation]***Financial Assistance from World Bank**

1363. SHRI Y.G. MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) the amount of financial assistance in rupees provided to India by the World Bank during each of the last three years;

(b) the names of the projects on which this amount has been spent;

(c) the details of financial assistance provided by the World Bank during the current year; and

(d) the names of the States where the amount of assistance is being spent for completion of projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The amount of financial assistance provided by World Bank during the last three years is as under:

2001-02	Rs. 9433 crores
2002-03	Rs. 7544 crores
2003-04	Rs. 9539 crores

(b) A statement is enclosed.

(c) Financial assistance of Rs. 279 crores has been provided by World Bank during the FY 2004-05 (upto May).

(d) World Bank assistance is being utilized in all the States.

**Statement**

Sl.No.	Name of the Project
1	2
1.	Nathpa Jhakri Power Project
2.	Second National Highway Project
3.	Second Chennai Water Supply
4.	Bombay Sewage Disposal
5.	Orissa Power Sector Restructuring
6.	UP Rural Water Supply and Environmental Sanitation Projects
7.	State Road Infrastructure Development Tech Assistance
8.	AP Hazard Mitigation
9.	AP Irrigation Protect-III
10.	AP State Highway Project
11.	Haryana Power Sector Restructuring Project
12.	National Agriculture Technology Project
13.	AP Economic Restructuring Project
14.	UP Diversified Agriculture Support Project
15.	AP Power Restructuring Project
16.	Second TN Urban Development Project
17.	Integrated Watershed Development Project (Hills II)
18.	UP Power Sector Restructuring Project



1	2	1	2
19.	Telecommunication Sector Reforms Technical Assistance	46.	Private Infrastructure (IL&FS)
20.	Third National Highway Project	47.	Coal Sector Environment and Social Mitigation
21.	Gujarat State Highway Project	48.	Second District Primary Education
22.	Rajasthan Power Sector Restructuring Project	49.	Eco-Development
23.	Karnataka State Highways Improvement Project	50.	Capacity Building Technical Assistance
24.	Karnataka Economic Restructuring Program	51.	Tuberculosis Control Project
25.	GT Road Improvement Project	52.	Rural Women Development and Empowerment
26.	AP Economic Reform program	53.	Malaria Control Project
27.	Shrimp and Fish Culture	54.	Third District primary Education project
28.	Family Welfare (Urban Slum)	55.	UP Forestry Project
29.	Renewable Resources Development Project	56.	Kerala Forestry
30.	Second Integrated Child Development Project	57.	Maharashtra Health System Development
31.	UP Sodic Lands Reclamation Project	58.	UP Sodic Lands Reclamation Project-II
32.	National Leprosy Elimination Project	59.	Second National AIDS/HIV Control
33.	Forestry research education and extension project	60.	UP Third District Primary Education Project
34.	Haryana Water Resources Consolidation project	61.	AP District Poverty Initiatives Project
35.	Cataract Blindness Control Project	62.	UP Health Systems Development Project
36.	Family Welfare Project	63.	Rajasthan District Poverty Initiatives
37.	Industrial Pollution Prevention	64.	Immunization Strengthening
38.	District Primary Education Project	65.	Second Renewable Energy
39.	AP Health System	66.	Third Technical Education Project
40.	Agricultural HRD Project	67.	MP District Poverty Initiatives
41.	Assam Rural Infrastructure	68.	Kerala Rural Water Supply and Environmental Sanitation
42.	TN Water Resources Consolidation project	69.	Second National Leprosy Elimination Project
43.	Hydrology	70.	Karnataka Watershed Development
44.	Orissa Water Resources Consolidation	71.	Rajasthan Second District Primary Education Project
45.	Second State Health System Development	72.	UP Water Sector restructuring project
		73.	Rajasthan water sector restructuring project

1	2
74.	Reproductive Child health
75.	Orissa Health System Development Project
76.	Women and Child Development project
77.	Rajasthan District primary education project
78.	Economic Reform Technical Assistance
79.	Kerala State Transport
80.	Mumbai Urban Transport
81.	UP State Road Project
82.	Second Karnataka Rural Water Supply and Sanitation
83.	UP Water Sector Restructuring Project
84.	Mizoram State Roads Project
85.	Karnataka community based Tank Management
86.	Gujarat Emergency Earthquake reconstruction Project
87.	AP Community Forest Management
88.	Technical Engineering Education Quality Improvement
89.	Tamil Nadu Road Sector
90.	Allahabad Bypass
91.	Second AP Economic Reform
92.	AP Rural Poverty Reduction
93.	Chhattisgarh District Rural Poverty project
94.	Maharashtra Rural Water Supply and Sanitation
95.	PGCL Powergrid System Development
96.	CONCOR Container Tpt. Logistics
97.	IDBI Industrial Pollution Prevention
98.	ICICI Industrial Pollution Prevention
99.	IDBI Modernization and Institutional Development
100.	IL&FS Private Infrastructure Finance

1	2
101.	Coal Sector Rehabilitation
102.	Second Powergrid System Development
103.	NTPC Power Generation
104.	Urban Environmental Management
105.	Mumbai Metropolitan Region development Authority
106.	Integrated Agricultural Demand Side Management
107.	Planning in State Power Sector
108.	Info Dev. Programme
109.	DSM Planning in State Power Sector
110.	West Bengal Municipal development Project
111.	Power Sector Reform Programme
112.	Modernization and Capacity Building of CAG
113.	IREDA Second Renewable Energy Project
114.	Gujarat District Primary Education
115.	Highways Institutional Strengthening
116.	Industrial Safety and Disaster Prevention
117.	State Power Sector Restructuring Programme
118.	Water Research Innovation and Training
119.	Infrastructure and E-readiness Assessment
120.	Second Montreal Protocol ODS
121.	CFC Production Sector Gradual Phase-out
122.	Sustainable Rainfed Agriculture Development
123.	District Poverty Initiatives Project
124.	Karnataka Integrated Health Nutrition and Family Welfare
125.	Second Maharashtra Rural Water Supply and Environment
126.	Alternate Energy
127.	National TB Control Programme

1	2
128.	Capacity for reforming India's Pension System
129.	TN Rural Water Supply and Environmental Sanitation

In addition, there were few small grant projects.

*[English]*

#### House Building Advance

1364. SHRI A.K. MOORTHY: Will the Minister of FINANCE be pleased to state:

(a) whether House Building Advance is given to Central Government employees only once during their service;

(b) if so, whether the Government propose to allow Government employees to avail of one more House Building Allowance to construct one house at place of his work and another at the place of his declared home town;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) No, Sir.

(c) Does not arise, in view of 'b' above.

(d) The objective of the scheme of House Building Advance is to enable the central government employees to acquire a house of their own during their service period. In view of the large number of central government employees and the limited budgetary provision for grant of House Building Advance, it does not seem to be feasible at this stage to sanction House Building Advance for acquiring two houses to the central government employees—one at the place of work and the other at their home town.

#### New Credit Policy

1365. SHRIMATI JAYABEN B. THAKKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) proposes to announce the New Credit Policy soon;

(b) if so, the reasons therefor; and

(c) the main points of the New Credit Policy envisaged?

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

(b) and (c) Do not arise.

*[Translation]*

#### World Bank Assistance for Construction of Bridges

1366. SHRI RAJNARAYAN BUDHOLIYA:  
SHRI HARISHCHANDRA CHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has offered financial assistance to India for construction of bridges;

(b) if so, the details thereof;

(c) the term of the financial assistance; and

(d) the State-wise details of the number of bridges likely to be constructed with this assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The World Bank has not offered financial assistance specifically for construction of bridges.

(b) to (d) Do not arise.

*[English]*

#### Facilities to Grain Exporters

1367. SHRI KINJARAPU YERRANNAIDU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state the details of the facilities and subsidies given to private traders to export grain?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): As per extant EXIM Policy, export of wheat and rice is free. Some of the provisions to boost the export of foodgrains (wheat and rice) include publicity campaigns, sending delegations abroad, participating in International trade fairs, inviting potential buyers and providing financial assistance to exporters for improving quality, packaging, brand promotion of products and conducting market surveys.

#### Delimitation Commission

1368. SHRI TUKARAM GANGADHAR GADAKH: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the present status of Delimitation Commission;

(b) whether the process of delimitation of Lok Sabha and Assembly constituencies is likely to be completed as per schedule;

(c) if so, the details thereof;

(d) whether the Government has recommended some suggestions and views of people's representatives have been received from various quarters in this regard;

(e) if so, the suggestions made in this regard;

(f) whether Government proposes to take care of those suggestions while delimiting the constituencies; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) to (c) The Delimitation Commission was constituted in July, 2002. As per the information made available by the Delimitation Commission, the Commission became functional in November/December, 2002. The Commission—in terms of the constitutional provisions—was to delimit the constituencies on the basis of 1991 census figures. By June, 2003 the Commission had completed almost 60% of its work. The totality of the Commission's work (all the parliamentary constituencies and the Assembly constituencies in all the States in the country) would have been completed by November/December, 2003. It could not be done because the Parliament enacted the Constitution (Eighty-seventh Amendment) Act, 2003, which provides that the delimitation work shall be done by the Commission on the basis of the 2001 census and not on 1991 census figures. As a consequence the work done by the Commission on the basis of 1991 census became non-est by the operation of law. The Commission, however, started preliminary work on the basis of the provisional 2001 census figures, which were available. But the preliminary work could not be taken to the logical-extent because, even the provisional 2001 census figures regarding the Scheduled Castes and the Scheduled Tribes were not available.

The 2001 Census figures were published on December 31, 2003. Thereafter, the Commission took-up the work of collecting data and tabulating the same. While the process was going on the 13th Lok Sabha was dissolved and fresh elections were declared. The Commission has five Lok Sabha Members from each State as its associate members. Where the number of M.Ps in a State is less than five, all are Commission's Members. With the dissolution of the Lok Sabha, the associate members ceased to be members by operation of law. Even otherwise during the elections, the fieldwork by the Commission was almost stopped. The fourteenth Lok Sabha has been constituted. The Commission has requested the Hon'ble Speaker to nominate associate members to the Delimitation Commission from each State. The said nominations are awaited. The Commission is likely to be fully occupied with work by the end of July, 2004.

The delimitation of the Lok Sabha and assembly constituencies in all the States is a time consuming work. Under the scheme of the Act associate members are to be associated with the delimitation work from the very beginning. As a consequence there have to be more than one meeting with the associate members from each

State. Thereafter, the final delimitation draft is published in newspapers and suggestions and views are invited from the public. Finally, the public meetings are held by the Commission in all the States and the draft finalized. The Commission will make an endeavour to complete the work within a period of one and a half year.

(d) and (e) The then Law Minister has suggested to the Delimitation Commission that there should be broad-based consultation with the Associate members, on the basis of the consensus arrived at in the all-party meeting held on the working of the Delimitation Commission on 13.3.2003. The Commission has accordingly revised its guidelines. The Delimitation Commission has informed that various suggestions from different quarters i.e. general public/organizations/associations are being received in the Commission regarding delimitation of constituencies.

(f) and (g) The work of the Delimitation is to be carried out by the Delimitation Commission, a statutory body, and not by the Government and, therefore, it is for the Delimitation Commission to accord appropriate consideration to the suggestion made to it.

#### Potato Export

1369. SHRI PRABODH PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total quantity of potato exported during the year 2003-2004;

(b) whether the Union Government has any plan to boost the export of potato in view of its increased production; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) The total quantity of potato exported during the year 2003-2004 (April to September) is 28,729 MTs. (Source: DGCI&S Provisional).

(b) and (c) Steps taken by the Government to boost the export of potato include *inter-alia* the following :

- Identifying the major potato production areas and setting up of exclusive Agri Export Zones (AEZs) on potatoes in the States of Uttar Pradesh (UP), Punjab, Madhya Pradesh and West Bengal with a view to adopt better preharvest and post-

harvest practices, production and distribution of quality seeds to farmers, and better price realisation to them.

- Providing financial assistance under various plan schemes of Agricultural and Processed Food Products Export Development Authority (APEDA).
- Transport assistance provided by APEDA, and the State Governments of UP and Punjab.
- Organising an international interactive workshop exclusively on potato during the AAHAR international event in March 2003.
- Organising international workshop cum buyer seller meet at Modipuram with buyers from Bangladesh, Pakistan, Uzbekistan and UAE to promote export of potato and potato products by APEDA and Central Potato Research Institute (CPRI) in March 2004.

*[Translation]*

#### **Income Tax Exemption to Institutions**

1370. SHRI PUNNU LAL MOHALE: Will the Minister of FINANCE be pleased to state:

(a) whether the Department of Income Tax Chennai has granted exemption to Champa Lal Gajrag Mohta Trust, Chennai regarding Income Tax rebate under Section 35 CCA;

(b) if so, the details thereof; and

(c) the details of the rebate being given to institutions/trusts under Section 35 CCA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No order granting exemption to Champa Lal Gajrag Mohta Trust, Chennai u/s 35CCA has been passed.

(b) No, question does not arise.

(c) In view of (a) above the question does not arise.

#### **Imported Machinery Purchase—CIL**

1371. SHRI AJIT JOGI: Will the Minister of COAL AND MINES be pleased to state:

(a) the details in regard to machines purchased and imported by Coal India Limited during the last three years;

(b) the details in regard to machines purchased by the Western Coalfields Limited out of it;

(c) whether the acquired machines are in use at present or left unused in Godowns;

(d) the details thereof and the reasons for not bringing the said machines in use; and

(e) the amount spent on purchase of the said machines?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO):

(a) The details of purchase of machinery during last three years by Coal India Limited and its subsidiaries is enclosed as statement-I. Out of the total purchase, only 460 HP Wheel Dozer pertained to the category of imported purchase.

(b) Out of these, the machines purchased and received by WCL are shown in the Statement-II enclosed.

(c) There is no such machinery lying idle in Godowns.

(d) and (e) Does not arise in view of reply at (c) above.

#### **Statement I**

*Machineries purchased and supplied during last three years (By Coal India & its Subsidiaries including W.C.L.)*

Equipment	Total Ordered	Total Supplied
1	2	3
Dumper35T	212	199
Dumper50T	84	58
Dumper85T	102	102
Dumper120T	42	42
Loader5-6M3	6	6
Water		
Sprinkler	7	7
Crawler		
Dozer320HP	67	61

1	2	3
<b>Crawler</b>		
Dozer410HP	58	58
Wheel Dozer 460HP	4	0
RBH Drill 160 MM	46	43
RBH Drill 250 MM	15	15
RBH Drill 311 MM	3	2
Hyd. Shovel 3.5 M3/2.8 M3	35	32
Hyd. Shovel 4 M3	6	6
Hyd. Shovel 5 M3	1	1
Hyd. Shovel 9.5 M3	3	1
Rope Shovel 5 M3	8	3
Rope Shovel 10M3	9	6
Crane30T	1	1
Crane 70T	2	2
Crane 40T	1	1
Side Discharge Loader(s)	76	76
Load Haul Dumpers (LHD)	46	46

**Statement II**

*Machineries purchased and supplied during last three years (WCL)*

Equipment	Total Ordered	Total Supplied
1	2	3
Dumper35T	13	0
Dumper50T	43	32
Dumper85T	0	
Dumper 120T	0	
Loader5-6M3	0	
<b>Water</b>		
Sprinkler	0	

1	2	3
<b>Crawler</b>		
Dozer 320 HP	21	17
<b>Crawler</b>		
Dozer 410 HP	0	
<b>Wheel Dozer</b>		
460 HP	2	0
RBBH Drill 160 MM	8	5
RBH Drill 250 MM	0	
RBH Drill 311 MM	0	
Hyd. Shovel 3.5M3/2.8 M	9	7
Hyd. Shovel 4 M3	0	
Hyd. Shovel 5 M3	0	
Hyd. Shovel 9.5 M3	0	
Rope Shovel 5 M3	0	
Rope Shovel 10 M3	0	
Crane30T	1	1
Crane 70T	0	
Crane 40T	0	
Side Discharge Loader	3	3
Load Haul Dumpers (LHD)	22	22

*[English]*

**Global Trust Bank**

1372. SHRI MEHBOOB ZAHEDI: Will the Minister of FINANCE be pleased to State:

(a) whether the Global Trust Bank (GTB) is saddled with accumulated losses of Rs. 260 crore—a damper for the Public Sector Banks;

(b) if so, the details thereof;

(c) whether Reserve Bank of India is planning to merge GTB with Public Sector Banks; and

(d) if so, the steps planned by the Government for taking over GTB?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Global Trust Bank Ltd. had incurred a net loss of Rs. 272.69 crore as on 31st March 2003.

(c) No, Sir. There is no such proposal at present.

(d) Does not arise.

#### **Extention of Coffee Plantation in Orissa**

1373. SHRI PARSURAM MAJHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total hectares of land in Orissa brought under coffee plantation so far;

(b) how far the plantation has achieved success in that State;

(c) whether the condition of some areas in Orissa and particularly in KBK districts are suitable for coffee plantation; and

(d) if so, the possibility explored if any to bring those areas under coffee plantation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) A total area of 2060 ha. has been brought under coffee cultivation in Orissa so far fairly successfully.

(c) and (d) Coffee cultivation is found feasible in some parts of Koraput and Kalahandi Districts of Orissa.

The Soil Conservation Department of Government of Orissa and the Coffee Board have made initial efforts in establishing coffee in the tribal areas of the State. The Coffee Board has been extending the required technical support for coffee cultivation in these areas.

#### **Officers Deployed for Election Duty**

1374. SHRI DAHYABHAI VALLABHBHAI PATEL: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the details of complaints received by the Government/Election Commission against the senior officers deployed/deputed for election duty during the recently concluded Lok Sabha Election in the U.T. of Daman and Diu; and

(b) the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) The Election Commission of India has informed that complaints from political parties of Daman and Diu were received against five senior officers of Daman and Diu Administration.

(b) The Election Commission of India has informed that the Chief Electoral Officer, Daman and Diu in his report to the Commission has concluded that the complaints are baseless.

#### **Holding in Public Sector Banks**

1375. SHRIMATI D. PURANDESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to bring down its holding in public sector banks and financial institutions;

(b) if so, the details thereof; and

(c) the time by which the Bill in this regard is likely to be introduced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. There is no such proposal under consideration of the Government.

(b) and (c) Do not arise.

*[Translation]*

#### **Technology Park**

1376. SHRI GANESH SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware that lime stone, bauxite and letuite are found in abundance in Satna District of Madhya Pradesh;

(b) whether the Government are contemplating to set up technology parks in order to promote industries and employment; and

(c) if so, the outlines thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) Yes, Sir.

(b) and (c) Promotion of industries is primarily the responsibility of the State Governments concerned. However, Government of India is operating various schemes to supplement the efforts of State Governments towards that end. Under the Industrial Park Scheme, 2002, tax incentives are provided under Section 80 1A of the Income Tax Act, 1961 for setting up industrial parks/growth centres/industrial model towns. The Scheme is applicable for any undertaking which develops, develops and operates or maintains and operates an Industrial Park for the period beginning on the 1st day of April, 1997 and ending on 31st day of March, 2006.

[English]

### Industrial Growth

1377. SHRI ADHIR CHOWDHARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrial growth in the country during the past few months has been alarmingly reduced in comparison to the previous year's growth rate;

(b) if so, the reasons therefor;

(c) whether the Government propose to formulate any policy to boost its industrial growth rate in the next few months;

(d) whether the Government intend to set up industrial growth centres in the country during the next year particularly in West Bengal;

(e) if so, the location-wise details thereof and if not, the reasons therefor; and

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

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (c) Industrial growth, as per data available from Central Statistical Organization (CSO), measured in terms of overall Index of Industrial Production (IIP) (with base year 1993-94 = 100), has gathered momentum in recent past with growth rate accelerating from 2.7% in 2001-02 to 5.7% in 2002-03 and further to 7.0% in 2003-04. In April, 2004 the overall industrial growth has been 8.7% over April, 2003. The provisional data available for April-May, 2004-05 show an increase in overall growth of IIP at 7.5% compared with 5.3% during the corresponding period last year.

The performance of the industrial sector is under constant review and appropriate measures are undertaken as and when necessary.

(d) to (f) Under the Growth Centre Scheme announced in 1988, all the 71 Growth Centres proposed to be set up throughout the country have already been sanctioned. Out of these 71 growth centres, 3 are in West Bengal, whose locations are (i) Malda (District : Malda), (ii) Bolpur (District: Birbhum), and (iii) Jalpaiguri (District : Jalpaiguri). There is no proposal to set up any more industrial growth centres in the country.

### HDFC Housing Loan

1378. SHRI JASWANT SINGH BISHNOI: Will the Minister of FINANCE be pleased to state:

(a) the control of RBI over Housing Financial Institutions like HDFC in respect of Housing Loan;

(b) whether HDFC disburses only 80% amount of Housing Loan sanctioned and the remaining 20% loan is disbursed after taking the possession of the flat by the customer;

(c) if so, whether the Government is aware that the customer has to borrow the 20% amount from outside agencies after giving them huge amount of interest thereon;

(d) if so, whether the Government proposes to make necessary changes in the Housing Loan disbursement policy of HDFC in the interest of customers; and

(e) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) RBI does not have direct control over housing finance institutions in respect of housing loans granted by them. The National Housing Bank (NHB) is the apex bank, which regulates the Housing Finance institutions including Housing Development Finance Corporation (HDFC).

(b) and (c) HDFC provides upto 85% of the cost of the property as a loan subject to the repayment capacity of the borrower. The balance 15% is margin money from the borrower.

(d) No, Sir.



(e) Does not arise.

#### Central Aid Sought by Maharashtra

1379. SHRI SHIVAJI ADHALRAO PATIL: 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 infrastructural 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 S.S. PALANIMANICKAM): (a) to (c) No, Sir. However, Chief Minister, Maharashtra requested the then Prime Minister vide his letter dated 16.1.2004 to consider certain infrastructural and rehabilitation projects of Mumbai on priority. Chief Minister in a delegation, also handed over a Memorandum to PM on August 21, 2003 about plans of the State Government for housing, urban and other infrastructure projects of Mumbai and requested for Central assistance of Rs. 6000 crores over a four year period for this purpose. Government of Maharashtra created a Task Force for preparing a plan of action in this regard.

(d) Ministry of Finance has nominated a Member on this Task Force. Assistance for any specific project is considered under Centrally Sponsored Scheme initiated for such purpose or under State Plan of the State which is finalised every year in consultation with State Government.

*[Translation]*

#### Trade Relations with Mexico

1380. SHRI MANOJ KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are contemplating to promote and strengthen trade relations with Mexico;

(b) if so, the details thereof; and

(c) details on the value of trade between these two nations at present?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) Trade promotion is a sustained and continuous endeavour of the government. In order to promote trade with Latin American countries, an integrated programme 'Focus-Lac' was launched in November 1997. This programme is aimed at sensitizing the organizations involved in trade promotion towards business opportunities in Latin American countries including Mexico.

(c) The value of trade between India and Mexico is as under:

(Value in US\$ million)

	2002-2003	April-Feb. 2003-04
India's Export to Mexico	261.55	229.74
India's Import from Mexico	65.52	67.84

(Source: DGCI&S, Kolkata)

*[English]*

#### High Court Benches

1381. SHRI S.P.Y. REDDY: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the number of Special Benches of High Courts proposed to be set up in each State during the 11th Plan period;

(b) the criteria fixed for setting up of Special Benches of High Courts in the States;

(c) the number of Special Benches proposed to be set up in Andhra Pradesh alongwith the places where they are going to be set up; and

(d) the total amount earmarked under the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) to (d) The Government of India does not implement any plan scheme for setting up of Special Benches of High Courts in various States and therefore no funds are earmarked for the same.

In its report, the Jaswant Singh Commission suggested the broad principles and criteria to be followed while deciding the question of expediency and desirability of establishment of a Bench of a High Court away from the principal seat and the factors to be kept in view in selecting the venue of the said Bench. The report of the Commission was placed in the Parliament Library on 15.10.86 and was laid on the Tables of the Rajya Sabha and Lok Sabha on 20.4.87 and 21.4.87 respectively, which may be referred to.

The question of opening a High Court Bench is considered by the Central Government in the light of these principles and criteria as and when a proposal is received from the State Government in consultation with the Chief Justice of the concerned High Court. No specific proposal, complete in all aspects, has been received in this regard from the Government of Andhra Pradesh in consultation with the Chief Justice of the High Court.

#### **Missing Gold Bar from Palam Airport**

1382. SHRI KAILASH BAITHA : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether 25 Kg. gold bars belonging to the State Bank of India were found missing recently from the Palam Airport Cargo;

(b) if so, the details thereof;

(c) the outcome of the investigations made by the Government into the missing gold bars stating whether any connivance of the Cargo Officials has been found; and

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

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) SBI Overseas Branch, Mumbai had booked two parcels for Delhi weighing 51 Kgs. containing gold bars under Consignment Note No. 39527493. The parcels were consigned to M/s. Group 4 Securitas, Cash Services, Delhi. The parcels were sent from Mumbai to Delhi by flight IC-658 of 7th May, 2004. One of the parcels weighing 25.4 Kgs. was found missing at IGI Airport, New Delhi.

(c) No, Sir.

(d) FIR in the matter has been lodged with police. Indian Airlines also conducted a preliminary enquiry in the matter and based on its report two staff were placed under suspension. Further departmental proceedings are under process.

#### **Scheme for Weavers**

1383. SHRI VIRENDRA KUMAR:  
SHRI SITARAM SINGH:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government is aware of the plight of the weavers due to exploitation by the middlemen;

(b) if so, the reasons therefor;

(c) whether the Government has any proposal to introduce comprehensive assistance scheme including protective legislation to give them adequate protection and to save them from exploitation by employers and middlemen; and

(d) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) and (b) No specific complaint/representation has been received from State Governments indicating exploitation of the handloom weavers by the middlemen.

(c) and (d) For protecting the interests of the handloom weavers, the Government of India has been implementing the Handlooms (Reservation of Articles for Production) Act, 1985 under which 11 categories of textile articles are reserved for exclusive production on handlooms.

Further, the Government of India has been implementing the following schemes for the development of handloom sector and the welfare of handloom weavers:

(1) Deen Dayal Hathkargha Protsahan Yojana.

(2) Marketing Promotion Programme.

(3) Handloom Export Scheme.

(4) Mill Gate Price Scheme.

(5) Scheme for reimbursement of one time rebate @ 10% given by the handloom agencies on the sale of handloom cloth.

(6) Scheme for Reimbursement of CENVAT on Hank Yarn.

(7) Workshed-cum-Housing Scheme.

(8) Weavers Welfare Scheme comprising:

- Thrift Fund Scheme
- New Insurance Scheme
- Health Package Scheme

(9) Bunkar Bima Yojana.

(10) Integrated Handloom Training Project.

(11) Design Development & Training Programme.

#### **Welfare of Tea Labourers**

1384. SHRI SARBANANDA SONOWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the measures taken by the Government for the health care and education of tea labourers and their children working in the tea industries in Assam;

(b) the actions taken against the tea industries for violation of the statutory mandates for the protection of the working class therein; and

(c) the number of tea industries in Assam which have been penalized for violating the provisions of payment of Bonus Act, 1965 during the last one year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) The Plantations Labour Act enacted by the Government of India in the year 1951 provides for the welfare of plantation labour and regulates the conditions of work in plantations, including tea. This Act covers various welfare measures including health care and educational facilities required to be provided by the tea garden management. The concerned State Government is the appropriate authority under the said Act to monitor the implementation of the various provisions in the Act. The Act also empowers the State Governments to make appropriate rules in this regard. Accordingly the Government of Assam, has made provisions for health care and primary educational facilities to plantation workers' children in the Assam Plantations Labour Rules, 1956. Tea Board also supports some welfare programmes and activities for the benefit of tea plantation workers and their dependant such as education (stipends, construction & extension of schools and colleges, etc.) and health care (purchase of medical equipments, construction & extension of hospitals, etc.) through their regular plan schemes.

(b) and (c) Information is being collected.

#### **Violation of Government Directives for Backward/Tribal Areas**

1385. SHRI MOHAN S. DELKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has extended various facilities and tax exemptions to the Industries coming up in the backward/tribal areas with an aim for the development of the area and to provide employment to the local poor;

(b) if so, the details thereof;

(c) action taken against the companies who had set up their units in such areas for a particular period to get the benefits and thereafter shifted their units from there depriving of the legitimate rights of the local poor;

(d) is the Government of India aware about such illegal activities of the companies; and

(e) if so, what action has been taken against such companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) There are various facilities/tax benefits available to the industries in backward/tribal area such as:

#### **(1) INCOME TAX CONCESSION/EXCISE DUTY EXEMPTIONS**

(1) Section 80-IC of the Income-Tax Act provides fiscal incentives to certain special category States including the North-Eastern States. As per this provision a new industrial undertaking set up on or after the 24th of December 1997 but before 1.4.2007 or an existing undertaking which undertakes substantial expansion during this period and which is located in certain notified areas is eligible for 100% income-tax exemption for a period of 10 assessment years. A similar deduction is available for all new undertakings or existing undertakings which undertake substantial expansion and which are engaged in specified thrust sector activities.

(2) Tax incentives are also available to industries set up on or before 31.3.2004 in the backward districts of the country. While industries in Category A Backward

districts are eligible for 100% deduction for 5 years followed by 25% (30% in the case of companies) for the next 5 years, industries in category B backward districts are eligible for 100% deduction for 3 years followed by 25% (30% in the case of companies) for the next 5 years.

(3) Excise duty exemption is available for new units/existing units undertaking substantial expansion in the States of North East, Sikkim, Jammu and Kashmir, Uttaranchal and Himachal Pradesh.

## (II) TRANSPORT SUBSIDY SCHEME

This Scheme was introduced in July, 1971 to promote industries in hilly, remote and inaccessible areas. The scheme is applicable to the States of Himachal Pradesh, Jammu & Kashmir, the North Eastern States, Sikkim, Union Territories of Andaman & Nicobar Islands and Lakshadweep, Darjeeling district of West Bengal and to specified districts of Uttaranchal. Under the Scheme, subsidy ranging from 50%-90% is admissible on transport costs incurred on movement of raw materials and finished goods from designated rail heads/ports up to the location of the industrial units and vice-versa for a period of five years from the date of commencement of commercial production. The scheme has been extended up to 31.3.2007.

(III) The following three schemes have also been introduced for accelerating industrialization in the North-Eastern region.

### (1) Capital Investment Subsidy Scheme

Under this scheme, a subsidy @ 15% of the investment in plant and machinery subject to maximum of Rs. 30 lakh would be admissible to industries located in the growth centres and to new industrial units and/or their substantial expansion in other identified areas in the North East region.

### (2) Central Interest Subsidy Scheme

The Scheme provides Interest subsidy @ 3% on the working capital loan to eligible industrial units in the North Eastern region for a period of ten years after the unit goes into production.

### (3) Comprehensive Insurance Scheme

This Scheme envisages insurance benefits of 100% premium to all eligible industrial units set up in the North

Eastern region after 24th December, 1997. The insured party shall pay initial premium which shall be reimbursed by the nodal insurance company out of a revolving fund maintained by the company. Funds for this revolving fund shall be contributed by the Department of Industrial Policy & Promotion. The Scheme will remain effective for a period of 10 years i.e. up to 31.7.2009.

The benefits under the aforesaid Schemes are available to the States of Jammu & Kashmir also. In Uttaranchal and Himachal Pradesh, the subsidy benefit is available only under Transport Subsidy Scheme and Comprehensive Insurance Scheme.

(c) to (e) A rule has been made in the Schemes that if the Central Government/State Government/Financial Institutions concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation as to an essential fact, furnishing of false information or if the unit goes out of production within 5 years after commencement or if the unit after receiving a part or the whole of the grant or subsidy have shifted out, the Central Government/State Government/Financial Institution concerned may ask the unit to refund the grant or subsidy.

If any unit which is availing excise duty exemption shifts from the exempted area to non exempted area it automatically gets excluded from the purview of the excise duty exemptions.

The tax benefits under the Income Tax Act are available for a stipulated period subject to the fulfilment of conditions specified therein. There is no provision in the Income Tax Act to prevent shifting of units from the specified areas.

### **Discrimination of workers of Swadeshi Poltex, Ghaziabad**

1386. SHRI BASU DEB ACHARIA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government is aware about the discriminatory attitude being meted out against some workers of Swadeshi Poltex, Ghaziabad in regard to the payment of salary;

(b) whether Government is aware that legitimate payments to some workers have been illegally stopped while other workers have already received such payments;

(c) whether Hon'ble Court, Allahabad has given its verdict in favour of payment of dues to all workers; and

(d) if so, the details and action taken by the Government in regard to early release of payment?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) to (d) Swadeshi Polytext Limited (SPL), Ghaziabad, U.P. is a sick company in which the NTC (UP) Ltd, a subsidiary of NTC Ltd. holds 34% of the Shares. There is no production activity in the Company since September 1998. However the management of SPL has made some ad-hoc payments towards salary and wages to those workers of the company who were involved in the process of sale of unproductive assets from the amount realized thereof. The Hon'ble High Court of Allahabad on 14.3.2003 has directed *inter alia* that the amount realized from the sale of unproductive assets in pursuance of the recoveries initiated by the Collector shall be forwarded to the DLC Ghaziabad for being applied and disbursed towards the claims of all the workmen. However, on an application filed by one of the share holders, this was stayed and the High Court has given an order on 6.4.2004 staying sale of any movable or immovable properties of SPL. The management has moved the Hon'ble High Court of Allahabad for vacation of the stay order.

*[Translation]*

#### Pending Projects of Madhya Pradesh

1387. SHRI THAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state:

(a) the number of proposals from the State Government of Madhya Pradesh seeking funds for certain projects pending for approval of the Union Government as on June 2004;

(b) the reasons for delay in sanctioning funds for the above-mentioned proposals; and

(c) the time by which the Government is likely to accord its approval to these proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) There are no proposals from the State Govt. of Madhya Pradesh pending for approval of Finance Ministry at end June 2004.

M.P. Power Sector II Project has been included in ADB's Country Strategy Programme 2004. The proposal for Japanese grant for the project 'Upgradation of Mother and Child Hospital and Basic Health Services in Gwalior, Shivpuri and Guna districts of Madhya Pradesh' was returned to Government of Madhya Pradesh as it was not complete.

#### Export of Clothes

1388. SHRI HARISHCHANDRA CHAVAN: Will the Minister of TEXTILES be pleased to state:

(a) the value of clothes exported to other countries during the last three years; and

(b) the steps being taken by the Government to promote the export of clothes?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) As per Directorate General of Commercial Intelligence & Statistics (DGCI&S) data, the value of textiles and clothing exported to other countries during the last three years, i.e. 2001-02, 2002-03 and 2003-2004 have been as follows :

Year	Value in US\$ Million
April 2001-March 2002	9515.1
April 2002-March 2003	10367.9
April 2003-February 2004	10498.8

(b) To strengthen domestic textile industry for meeting the growing global competition, the following important announcements has been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.
- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

Beside, Government has been taking a number of steps from time to time to strengthen and promote the Indian textile industry. Some of the important initiatives taken are :

- (i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of the sector.
- (ii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.
- (iii) 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.
- (iv) For upgrading infrastructure facilities at important textile centres, a scheme 'Textile Centre Infrastructure Development Scheme' (TCIDS) has been launched.

[English]

#### Family Courts

1389. SHRI P.C. THOMAS: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the number of family courts set up in the country during each of the last three years, State-wise;

(b) whether one family court has been set up in each district of every State;

(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 K. VENKATAPATHY): (a) At present, 136 Family Courts have been set up in various parts of the country. A statement indicating the number of family courts set up in the country during the last three years, State-wise, is enclosed as statement.

(b) No, Sir.

(c) Does not arise.

(d) The States have expressed several reservations for not setting up Family Courts. In some States in North East, existing customary Courts deal with matrimonial matters. Lack of financial resources, difficult topography and insufficient institution of matrimonial cases have also held back establishment of Family Courts.

#### Statement

Name of the State	2001-2002	2002-2003	2003-2004
Jharkhand	3	—	2
Uttaranchal	3	3	—
Bihar	—	2	—
Chhattisgarh	—	1	1
Delhi	—	15	—
Gujarat	—	3	—
Madhya Pradesh	—	7	—
Manipur	—	1	—
Kerala	—	2	—
Tripura	—	1	—
West Bengal	—	1	—
Assam	—	—	4
Karnataka	—	—	2
Nagaland	—	—	2
Punjab	—	—	2
<b>Total</b>	<b>6</b>	<b>36</b>	<b>13</b>

[Translation]

#### Cargo Complex at Indore Airport

1390. SHRIMATI SUMITRA MAHAJAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether air cargo complex is being developed at Indore airport;

(b) if so, the details thereof alongwith its present position;

(c) whether such complexes are proposed for other airports also; and

(d) if so, the details thereof, State-wise and location-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a), Yes, Sir.

(b) The interim cargo shed has already been constructed and inspected by Customs Officials on 26.5.2004. Airports Authority of India would take up the necessary modification after getting inspection report from Customs.

(c) Yes, Sir.

(d) In the Master Plans, locations have been earmarked for setting up of cargo complexes at Srinagar and Visakhapatnam airports. The work is taken up subject to availability of adequate cargo traffic and award of custodianship to AAI by Customs.

#### Closure of Textile Mills

1391. PROF. MAHADEORAO SHIWANKAR: Will the Minister of TEXTILES be pleased to state:

(a) the State-wise number of textile mills closed down during the last three years alongwith the number of textile workers rendered unemployed due to it; and

(b) the State-wise details of financial assistance provided to these unemployed workers?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) The State-wise number of cotton/man-made fibre textile (Private Sector Non-SSI) mills closed in the country during last three years as on 31.5.2004 along with the number of textile workers rendered unemployed is given in the enclosed Statement.

(b) The Union Government has a scheme called the Textile Workers Rehabilitation Fund Scheme (TWRFS), being implemented by the Office of the Textile Commissioner, Mumbai in co-ordination with the concerned State Government/Workers' Union/Official Liquidator/Provident Fund Commissioner etc., which is applicable to the whole of India and is meant for providing an interim relief for an interim period of only 3 years on a tapering basis only to the workers who might be displaced by permanent closure of textile mills/units or entire division in case of partial closure thereof,

provided such mills/units and workers fulfill the conditions prescribed under the TWRFS. No financial assistance was provided to the workers of these 150 closed textile mills under TWRFS because they had not applied for it to the Office of the Textile Commissioner, Mumbai.

#### Statement

(i) State-wise number of cotton/man-made fibre textile (Non-SSI) mills closed in the country during last three years as on 31.5.2004

Sl.No.	State	No. of Mills	Workers on Roll
1.	Andhra Pradesh	10	3871
2.	Assam	3	2413
3.	Gujarat	4	1748
4.	Haryana	10	2646
5.	Jammu and Kashmir	1	206
6.	Jharkhand	1	707
7.	Karnataka	3	1765
8.	Kerala	4	1395
9.	Madhya Pradesh	2	403
10.	Maharashtra	13	11515
11.	Manipur	1	350
12.	Orissa	5	3919
13.	Pondicherry	1	129
14.	Punjab	7	4936
15.	Rajasthan	5	2853
16.	Tamil Nadu	51	10311
17.	Uttar Pradesh	3	2227
18.	Uttaranchal	1	114
19.	West Bengal	8	4249
Total		133	55757

(ii) *State-wise number of cotton/man-made fibre textile (non-SSI) mills closed during last three years in the country as on 31.5.2004 which have disposed of their land and machinery and stand deleted from the records of the Office of the Textile Commissioner, Mumbai:*

Sl.No.	State	No. of Mills	Workers on Roll
1.	Gujarat	4	3103
2.	Kerala	1	462
3.	Madhya Pradesh	1	886
4.	Maharashtra	1	614
5.	Punjab	1	454
6.	Tamilnadu	8	2939
7.	Chhattisgarh	1	1236
Total		17	9694

#### **Air Services with India**

1392. SHRI SUBHASH SURESHCHANDRA DESHMUKH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the names of the countries connected to India through air-service at present;

(b) whether the Government proposes to directly connect some more countries through air-service;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) 54 countries are connected to India through air-service at present, a list of which is given in the enclosed statement.

(b) to (d) India has so far entered into Air Services Agreements with 100 countries. Airlines designated by these countries can operate to India as per their commercial judgment subject to the availability of traffic rights.

#### **Statement**

#### *Countries connected to India through air-service*

1. Afghanistan
2. Austria
3. Bahrain
4. Bangladesh
5. Bhutan
6. Brunei
7. Canada
8. China
9. Egypt
10. Ethiopia
11. France
12. Germany
13. Hong Kong
14. Indonesia
15. Iran
16. Israel
17. Italy
18. Japan
19. Jordan
20. Kazakhstan
21. Kenya
22. Republic of Korea
23. Kuwait
24. Kyrgyzstan
25. Maldives
26. Malaysia
27. Mauritius
28. Myanmar
29. Nepal
30. Netherlands
31. Oman



32. Qatar
33. Pakistan
34. Russian Federation
35. Saudi Arabia
36. Seychelles
37. Singapore
38. Slovakia
39. South Africa
40. Sri Lanka
41. Switzerland
42. Syria
43. Taiwan
44. Tajikistan
45. Tanzania
46. Thailand
47. Turkey
48. Turkmenistan
49. United Arab Emirates
50. United Kingdom (UK)
51. U.S.A.
52. Ukraine
53. Uzbekistan
54. Yemen Arab Republic

#### **Modernisation of Coal Mines**

1393. SHRI SHIVRAJ SINGH CHOUHAN: Will the Minister of COAL AND MINES be pleased to state:

(a) the allocation of funds for modernization of coal mines in public joint sector for the Tenth Five Year Plan;

(b) the funds provided for this purpose during the year 2003-04 and the funds proposed to be provided during the year 2004-05;

(c) whether any time bound programme has been prepared for modernization of these mines; and

(d) the over-all benefit likely to be derived from this move?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO):

(a) In the Tenth Five Year Plan, a capital provision of Rs. 9175.83 crores has been made for modernization of coal mines by coal companies.

(b) In 2003-04 a sum of Rs. 1631.97 crores was provided for mechanization/modernization of coal mines while in 2004-05 an allocation of Rs. 1606.95 crores has been provided.

(c) and (d) Modernization of coal mines is a continuous process which include/involves, *inter-alia*, re-organisation of existing mines, introduction of modern technology and opening of new mines for enhancing production and productivity and efforts are made to ensure that the targets set in the Annual Plan and Annual Action Plan for the coal companies are met. Modernization/mechanization helps in increasing the productivity/efficiency of the coal companies.

#### **Operationalisation of Surat Airport**

1394. SHRI KASHIRAM RANA:  
SHRI GANESH SINGH:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has decided to bring Surat and other non-operational Airports back into operation;

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

(c) the time by which such Airports are likely to become fully operational?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) Operationalisation of non-operational airports depends on prospect of regular flight operations at these airports. In the absence of any demand for flight operations, it is not viable to operationalise these airports.

As far as Surat Airport is concerned, work for strengthening, extension and widening of the runway, construction of new apron and taxiway are in progress and are likely to be completed by March, 2005. There is also a proposal to construct a new Terminal Building for handling 150 passengers.

[*Translation*]

### Merger of UTI and IDBI Bank

1395. SHRI NIKHIL KUMAR CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to merge UTI and IDBI banks;

(b) if so, whether the Government has since granted them permission of merger;

(c) if so, whether the investors of UTI and IDBI banks would be affected; and

(d) if so, the details thereof?

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

(b) to (d) Does not arise.

### Coal Videsh

1396. SHRIMATI USHA VERMA:  
SHRI PARSURAM MAJHI:

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Coal India Limited is considering to set up a subsidiary 'Coal Videsh' to undertake exploration and mining in abroad;

(b) if so, the details thereof; and

(c) the steps taken for its establishment and when it is likely to be established?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO):

(a) to (c) It was decided in the Government during a review of coal sector that Coal India Limited (CIL) may proceed to acquire mines in other countries so as to strengthen the energy security of the country. In pursuance of the said decision CIL is considering to set up a subsidiary company. CIL Board has appointed a Committee to go into the issues of the structure, objectives, ways and means of its formulation and preparation of essential documents etc. M/s S.R. Batliboi & Co., Kolkata, a Consultant, has been engaged for preparation of Memorandum and Articles of Association

and also for Registration of the proposed subsidiary company for activities in other countries. The proposed subsidiary company is likely to be formed by the end of the year 2004.

### Coffee Price

1397. SHRI P. KARUNAKARAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been decline in price of coffee since 2000 in whole sale market;

(b) if so, details in the retail price of this commodity during this period; and

(c) the steps taken to prevent cartels and price fixers controlling action?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir. The prices in the whole sale market for green coffee had been on the decline from the late 1990s. However, they have improved slightly over the past few months.

(b) Since the year 2000, the average retail prices of coffee seeds (Rs./kg. of clean coffee seeds of Arabica Plantation and Robusta Cherry AB) in the domestic market at Bangalore have been as under :

Year/Month	Arabica	Robusta
2000	91	48
2001	66	35
2002	66	35
2003	65	40
January 2004	63	39
February 2004	63	38
March 2004	69	41
April 2004	74	42
May 2004	74	42

(c) In India, coffee is an export oriented commodity and its prices are largely influenced by the New York Exchange for Arabicas and London Exchange for Robustas. The coffee prices are determined by the market forces of demand and supply.

### Tea Export to Pakistan

1398. SHRI RAYAPATI SAMBASIVA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's tea export to Pakistan jumped nearly 73% to 6.4 million kg in 2003 from 3.7 million kg in 2002;

(b) whether any concrete steps are being considered to further improve tea export to Pakistan in 2004;

(c) whether any target has been set for tea exports to Pakistan during 2004; and

(d) other countries where tea exports is improving during 2004?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) In the medium term export strategy formulated by the Tea Board, Pakistan has been identified as a market for Indian tea export. The exchange of delegations to and from Pakistan are encouraged. The Indian Tea Association had taken a tea producers' delegation to Pakistan from 19th May to 22nd May 2004 in order to boost the export of Indian tea to Pakistan. A formal Memorandum of Understanding was signed during this visit to the effect that tea imports from India would reach a level of 25 million kg over the period 2004-05 to 2006-07 subject to competitiveness of price and quality.

(c) No specific target has been set for export of tea to Pakistan during 2004.

(d) As per the provisional figures of exports available for the period from January to April 2004, export of tea from India registered an increase mainly to United Kingdom, Netherlands, Germany, Canada, United Arab Emirates, Iran, Iraq, Arab Republic of Egypt, Afghanistan, Singapore, Sri Lanka, Kenya, Japan and Australia.

*[Translation]*

### Inoperation of HCL

1399. SHRI SUSHIL KUMAR MODI: Will the Minister of COAL AND MINES be pleased to state:

(a) whether the processing unit at Hindustan Copper in Jharkhand and mines situated at Badia, Pathergora, Kendadoh and Sudra (North and South) are lying inoperational;

(b) whether Sudra mine has adequate stock of copper for the next 20 years and whether 1300 tonnes of ore can be extracted from it every year;

(c) whether the Government has proposal to re-start these closed mines; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO):

(a) Hindustan Copper Limited (HCL) is having its Indian Copper Complex (ICC) unit in the State of Jharkhand. The ICC smelter and refinery which was shutdown for major overhauling exercise since July, 2003 has resumed production from 24.6.2004. The mines situated at ICC Complex viz. Sudra, Pathargora, Kendadh, Rakha and Mosaboni including Badia have been closed due to economic non-viability and losses.

(b) Sudra mine has a proved deposit of 4.93 million tonnes and can last for about 10 years. The mine at an optimum level of production may produce around 1000 tonnes of copper ore (10 tonnes of metal concentrate) every day.

(c) and (d) With a view to restarting mining operations at Sudra necessary action has been initiated for renewal of mining lease by taking up the matter with the State Government of Jharkhand.

*[English]*

### Ways and Means Advance

1400. SHRI DUSHYANT SINGH: Will the Minister of FINANCE be pleased to state:

(a) the amount of ways and means advance sanctioned to various States during the last three years; and

(b) the actual amount released to these States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) A statement indicating details of Ways and Means Advance sanctioned/released to various State

Governments by the Government of India during the last three years is enclosed.

**Statement**

(Rs. in crores)

Sl.No.	States	2001-02	2002-03	2003-04
1.	Andhra Pradesh	329.00	135.00	0.00
2.	Assam	675.00	470.00	50.00
3.	Gujarat	91.00	0.00	0.00
4.	Himachal Pradesh	187.00	0.00	125.00
5.	Karnataka	0.00	0.00	500.00
6.	Kerala	203.00	178.00	310.00
7.	Jammu & Kashmir	0.00	15.48	100.00
8.	Madhya Pradesh	0.00	312.00	0.00
9.	Maharashtra	0.00	25.00	0.00
10.	Manipur	333.00	572.68	445.00
11.	Meghalaya	0.00	65.00	0.00
12.	Nagaland	70.00	50.00	0.00
13.	Orissa	565.00	695.00	400.00
14.	Punjab	305.00	0.00	150.00
15.	Rajasthan	0.00	198.00	0.00
16.	Uttaranchal	15.00	0.00	0.00
17.	West Bengal	227.00	650.00	0.00
Total		3000.00	3366.16	2080.00

*[Translation]*

**Export of Readymade Garments**

1401. SHRI RAMDAS BANDU ATHAWALE:  
SHRI RAGHURAJ SINGH SHAKYA:  
SHRI NIKHIL KUMAR CHOUDHARY:

Will the Minister of TEXTILES be pleased to state:

(a) whether USA has indicated that export quota of readymade garments from India will be increased only after the marketing facility to American textile industries is provided on mutual basis in India;

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

(c) the stand of the Government on 'CENVAT'?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) No, Sir. As per World Trade Organisation (WTO) Agreement on Textiles and Clothing (ATC), the quantitative restrictions (import quotas) would be completely phased out and textile sector fully integrated by 1st January 2005. All WTO Members including USA are bound by this obligation.

(b) Does not arise, in view of (a) above.

(c) To accelerate growth of the textile sector as also to increase its competitiveness, the Government in the Budget 2004-05, has provided substantial excise duty relief. Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option. Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

*[English]*

**Private Agencies for Survey of Airports**

1402. SHRI ASADUDDIN OWAISI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Airports Authority of India has hired private agencies to conduct surveys on airports in regard to passengers' amenities and complaints;

(b) if so, the details thereof;

(c) whether any such survey was conducted in regard to Hyderabad Airport;

(d) if so, the details thereof;

(e) if not, the reasons therefor; and

(f) the time by which such survey is likely to be conducted?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) M/s. Development and Research Services, New Delhi was hired to conduct Customer Satisfaction Survey

and assess the customer satisfaction level at each airport.

(c) Yes, Sir.

(d) The customer satisfaction level for Hyderabad Airport assessed in January 2004 was 74%.

(e) and (f) Do not arise.

#### **LIC Business**

1403. SHRI GURUDAS DASGUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that within five years of the opening up of the Insurance sector to private players, the public sector LIC is facing a dramatic decline in business particularly in major cities; and

(b) if so, the details thereof and the reaction of the Government thereto?

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

(b) Does not arise.

#### **Evasion of Taxes by Private Hospitals and Nursing Homes**

1404. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that large number of private hospitals and nursing homes are not filing their income tax returns but are evading the payment of tax due to the Government in large sums;

(b) if so, the total tax amount that these bodies have evaded so far; and

(c) the measures Government has taken/propose to take to realise those evaded tax amount from them immediately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Enquiries carried out by the Income Tax Department indicate that most of the private hospitals and nursing homes having taxable income file their returns and pay their taxes.

(c) Wherever information regarding evasion of tax in such cases comes to the notice of the Department, survey u/s 133A of the Income-tax Act, 1961, or search action u/s 132 of the Income-tax Act, 1961 is undertaken. Efforts are made on a regular basis to identify non-filers and take necessary action for getting the returns filed and the taxes paid.

#### **Sale of Tea**

1405. SHRIMATI C.S. SUJATHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has plans to restrict the sale of tea through auction;

(b) if so, the details thereof;

(c) the measures taken to bring tea produced by small and marginal growers to the auction centres; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) No, Sir.

(b) Does not arise.

(c) and (d) The small and medium growers produce un-processed tea leaves which is sold as raw material either to bought leaf factories or estate factories for processing. The auctions do not handle un-processed tea leaves. The manufacturers (either estate factory or bought leaf factory) have the option to sell their teas either through auctions or through non-auction route. In order to encourage the tea manufacturers to route their teas through auctions, the following measures have been taken:

(i) Tea Board has issued directions on auction rules for implementation with a view to reduce transaction time and cost of selling and/or buying of tea through auction, ensuring competition in auction system, enhancing the speed of auction to handle maximum volume and faster disposal of tea etc.

(ii) Introduction of electronic auction to ensure greater transparency.

**Use of Jute Bags**

1406. SHRI BRAJA KISHORE TRIPATHY:  
SHRI SUNIL KHAN:  
SHRI TATHAGATA SATPATHY:  
SHRI GURUDAS DASGUPTA:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government ensure the mandatory use of jute bags for packing of the food articles;

(b) whether mandatory use of jute bag for packing of the food articles has been diluted;

(c) whether synthetic bags have been allowed for packing of the food articles;

(d) if so, the reasons therefor;

(e) whether Indian Jute Mills Association has demanded Government policy/package for Jute Industry;

(f) if so, the details thereof;

(g) whether there is a plan to increase production of jute goods with wider market network in the country and overseas market;

(h) if so, the details thereof; and

(i) the details of the funds made available during the last three years for promotion of Jute Industry?

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): (a) Yes, Sir. The Central Government ensure mandatory use of jute bags for packing foodgrain & sugar upto the specified level fixed as per orders issued from time to time under clause 3 (1) of the Jute Packaging (Compulsory Use in Packing Commodities) Act, 1987.

(b) After considering the recommendations of the Standing Advisory Committee (SAC), the mandatory use of jute bags for packing foodgrains & sugar has been diluted from time to time.

(c) and (d) No, Sir. The Government has not taken any decision to pack foodgrains & sugar in synthetic bags. Reduction in percentage of mandatory packaging in jute material does not imply compulsory packaging in synthetic bags. It is the discretion of the users to use jute bags or any other alternative packaging material to the extent of relaxation granted by the Government under the JPM Act, 1987.

(e) and (f) Yes, Sir. Indian Jute Mills Association (IJMA) has been demanding on various occasions for 100% reservation for packing foodgrains & sugar in jute materials.

(g) to (i) Yes, Sir. The 10th Plan has projected that jute goods production would increase to 19.5 lakh MTs. The overall thrust of the jute sector is to promote jute diversified product, develop new product range, extend technological and financial support to the small and medium sector, in particular and to the organized sector generally through capital subsidy Schemes and Technology upgradation fund as well as other infrastructure development schemes like Jute Service Centres, Raw Material Banks, Design Development Scheme and Duty Entitlement Pass Book Scheme. For expansion of markets abroad, Jute Manufacturer Development Council (JMDC) is taking steps to popularize use of jute geo-textiles and foodgrade jute bags and other jute products by way of organizing buyers sellers meets, participations, exhibitions and fairs etc. Use of Jute Geo-Textiles has increased to 787.4 M.Ts during 2003-04 (April-December) as against 270 M.Ts during 2002-03. JMDC action plan for 2004-2005 has projected Rs. 7.48 crores for activities pertaining to export market development, domestic market development, scientific research studies and others. The amount spent by JMDC during the last three financial years i.e. 2001-02, 2002-03 & 2003-04 were Rs. 269.72 lakhs, Rs. 427.41 lakhs & Rs. 448.18 lakhs respectively. Similarly, the grant received by National Centre for Jute Diversification (NCJD) for promotion of Jute Diversified Products (JDPs) during the last three financial years i.e. 2001-02, 2002-03 & 2003-04 were Rs. 308 lakhs, Rs. 525 lakhs & Rs. 695 lakhs respectively.

**Status of Special Category State**

1407. SHRI ANANTA NAYAK: Will the Minister of FINANCE be pleased to state:

(a) States which have been declared as special category States;

(b) the States which are demanding special category State status;

(c) whether the State Government of Orissa has also made any demand for the same; and

(d) if so, the steps taken to accord special category State status to Orissa?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The existing Special Category States are Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Mizoram, Meghalaya, Nagaland, Sikkim, Tripura and Uttaranchal.

(b) The States of Bihar, Chhattisgarh, Goa, Jharkhand, Orissa and Rajasthan have demanded Special Category State Status.

(c) and (d) Yes, Sir. Orissa does not fulfil the requirement of Special Category State. Hence has not been accorded this status.

#### **Aircraft for Haj Pilgrims**

1408. SHRI ASADUDDIN OWAISI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to hire aircraft for transporting Haj Pilgrims;

(b) if so, the details thereof;

(c) whether there have been a number of complaints about bad conditions of aircraft meant for Haj Pilgrims;

(d) if so, the details thereof; and

(e) the steps taken/being taken by the Government to provide good quality aircrafts for Haj Pilgrims?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) There are no plans to hire aircraft for transportation of Haj pilgrims. Haj-2005 operations will be carried out by Air India, Indian Airlines and Saudi Arabian Airlines. Air India will deploy its own and dry leased aircraft for the purpose.

(c) No, Sir.

(d) Does not arise.

(e) The aircrafts which are used for Haj operation are required to undergo stipulated maintenance checks. They are of good quality/condition and also meet all statutory standards and conditions laid down by regulatory authorities such as the DGCA.

#### **Tea Import from Vietnam**

1409. SHRI TUFANI SAROJ: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is increase in the import of tea from Vietnam to India;

(b) if so, the total quantity of tea imported from Vietnam in the year 2003;

(c) the total quantity of tea imported from Vietnam in the first half of the current year;

(d) whether the import of tea has adversely affected the Indian tea industry; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) The quantum of tea imported into India from Vietnam during the year 2003 was around 1.11 million kgs as against about 12.02 million kgs during the year 2002.

(c) During January to May 2004, the quantity of tea imported from Vietnam to India was around 2.38 million kgs.

(d) No Sir.

(e) Tea is imported into India mainly for the purpose of re-export after value addition. Such imports for re-export increases the price competitiveness of Indian teas in the international market besides catering to the requirements of international buyers.

*[Translation]*

#### **National Saving Scheme**

1410. GAURISHANKAR CHATURBHUIJ BISEN: Will the Minister of FINANCE be pleased to state:

(a) the procedure of the repayment of the maturity amount under the National Saving Scheme;

(b) whether the attention of the Government has been drawn towards the inconvenience being faced by the persons in rural areas in getting their account payee cheques encashed;

(c) if so, whether any proposal for simplifying the procedure of the repayment is under consideration of the Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Repayment of maturity values under various small savings schemes is *inter-alia* governed by the provisions contained in Section 269T of the Income Tax Act, 1961, as amended from time to time, according to which repayment of loans and deposits beyond rupees twenty thousand are required to be made through account-payee cheques or account-payee bank drafts.

There is no proposal under consideration of the Government to amend the relevant provisions of the Income Tax Act, 1961.

[*English*]

#### **Grant to Maharashtra**

1411. SHRI MOHAN RAWALE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Maharashtra has submitted any proposal to the Centre in which they have sought one time grant of Rs. 1000 crores to meet liabilities of the State; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir, no proposal seeking grant of Rs. 1000 crores has been received from the State Government recently.

(b) Does not arise.

#### **Land Premium to States—Coal Companies**

1412. SHRI ARJUN SETHI: Will the Minister of COAL AND MINES be pleased to state:

(a) whether coal companies as per the Coal Bearing Areas (Acquisition and Development) Act, 1957 have to pay compensation (Land Premium) to the States for land acquired under the Act referred above:

(b) if so, whether the States have demanded for compensation; and

(c) the reaction thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) The Government of India decided in 1989 that payment of compensation henceforth be made to the State Government for lands acquired by the coal companies either through direct transfer or under Coal Bearing Areas (Acquisition and Development) Act 1957 provided the land so obtained vests absolutely in the coal company free from all encumbrances.

(b) Yes Sir. Some States have demanded compensation.

(c) In case of Central Coalfields Limited, South Eastern Coalfields Limited and Mahanadi Coalfields Limited, the concerned State Governments had demanded compensation and the same is being paid to them as per Government's decision as mentioned in part (a) above.

[*Translation*]

#### **Revival of Closed Industry**

1413. SHRI SANTOSH GANGWAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the steps are being taken by the Government to revive closed industries in private sector and the number of industries likely to be revived under this process during next three years; and

(b) if so, details of the companies which are being considered for revival?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) The Government has taken a number of steps for revival of sick industrial units which, *inter-alia*, include guidelines of the Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 etc.

(b) As per information received from BIFR, out of 4756 cases of private companies registered with them under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 since its inception and as on 31.5.2004, revival schemes have been sanctioned in 616 cases by BIFR and in 20 cases by Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and Draft Schemes have been circulated in 56 cases.



*[English]***Electoral Reforms**

1414. SHRI CHANDRAKANT KHAIRE: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether a comprehensive electoral reforms including State funding of elections is in the anvil;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) and (b) The Government as part of its commitment to initiate steps to introduce State funding of elections, is considering various options and alternatives in this regard.

(c) Does not arise.

**Growth rate in Infrastructure Industries**

1415. SHRI B. MAHTAB: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the target growth rate fixed to be achieved in infrastructure industries for the year 2004-05;

(b) the extent to which growth rate has been achieved till April, 2004;

(c) whether growth rate of some industries has declined during the first quarter of this year;

(d) if so, the reasons therefor and upto what extent; and

(e) the details of steps taken by the Government to achieve growth rate in this fiscal year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) to (d) Infrastructure industries comprise items/sectors like Power, Coal, Steel, Cement, Petroleum etc. The targets for them are set by the administrative ministries/departments concerned. By and large, production targets have been achieved. The targets along with data, to the extent available from Ministry of Statistics & Programme Implementation, on achievement/performance are furnished in the table below.

Sector	Unit	Annual Target (2004-05)	Target for Apr-May, 2004	Achievement Apr-May, 2004	Growth (in percentage)	
					April 2004	April-May 2004-05
Power	BU	566.59	94.57	97.08	10.7	6.9
Coal	MT	364.65	54.9	56.77	7.5	7.0
Steel	MT	38.55	6.28	5.93	3.0	3.3
Cement	MT	133.00	21.26	22.01	16.0	6.4
Petroleum						
(a) Crude	MT	33.15	5.57	5.73	10.7	9.4
(b) Refinery	MT	121.94	20.35	21.41	13.2	13.4

Note: BU-Billion Units; MT—Million Tonnes.

Source: Ministry of Statistics & Programme Implementation.

(e) The Government is committed to remove the inadequacies in infrastructure facilities through a mix of policy and fiscal measures. The Budget 2004-05 envisages a number of measures that, *inter-alia*, include setting up

an Inter-Institutional Group to ensure speedy conclusion of loan agreements and implementation of infrastructure projects.

**Expansion of Airports**

1416. SHRI RAVI PRAKASH VERMA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether any expansion plan of different airports including Ahmedabad Airport is under the consideration of the Government;

(b) if so, the details thereof; and

(c) the action taken in this regard as on date?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) Expansion/upgradation of airports is a continuing process and is taken up in a phased manner depending upon projected requirements and availability of resources from time to time. Various category of development works such as construction/expansion/modification of terminal buildings, extension of runways, provision of aerobridges, aprons, taxiways etc. are planned at 37 international/domestic airports including Ahmedabad airport in the 10th Five Year Plan. These works are at various stages of implementation.

**Self-Help Groups**

1417. SHRI GURUDAS KAMAT: Will the Minister of FINANCE be pleased to state:

(a) whether the quantum of financial assistance provided by various banks to Self-Help Groups owned by women are far behind;

(b) if so, the reasons therefor; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that 90% of the Self-Help Groups (SHGs) financed by banks as on 31st March, 2004 are women groups. As on 31.3.2004, 10.79 lakh SHGs have been credit linked with banks, with a cumulative loan disbursement of Rs. 3,904 crore.

(c) The SHG concept will be promoted vigorously and an indicative target of credit linking 5.85 lakh SHGs during the period upto March 31, 2007 has been set for NABARD, Small Industries Development Bank of India (SIDBI), banks and other agencies.

**Plane Crash**

1418. SHRI RAM CHANDRA PASWAN:  
SHRI AJIT JOGI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the number of aircrafts/airbuses flown by the Government and private companies that crashed during the last three years;

(b) the number of such cases for which enquiry committees have been constituted alongwith the details thereof; and

(c) the action taken/proposed to check the recurrence of such incidents?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) During the last three years from 2001-2004 (till date) 22 accidents occurred involving Indian civil registered aircraft flown by Government and private companies. No aircraft belonging to scheduled airlines was, however, involved in any accident.

(b) The Government had instituted two Committees of Inquiries under Rule 74 of Aircraft Rules, 1937 in two crashes involving:

(i) M/s Jindal Strips King Air C-90 aircraft VT-EFF on 30.9.2001 near Mainpuri in which Shri Madhavrao Scindia, then Hon'ble MP received fatal injuries; and

(ii) M/s. Deccan Aviation Bell 206 helicopter VT-DAP near Vijayawada on 03.03.2002 in which Shri G.M.C. Balayogi, the then Hon'ble Speaker of Lok Sabha received fatal injuries.

In the remaining 20 accidents, Inspector of Accidents were appointed for conduct of inquiry under Rule 71 of Aircraft Rules, 1937.

(c) Safety Recommendations emanating from investigation of accidents and of incidents are followed up by Directorate General of Civil Aviation for implementation by the concerned agencies/units for preventing recurrence of similar incidents/accidents.

**NPA of Punjab and Sind Bank**

1419. SHRI P.S. GADHAVI: Will the Minister of FINANCE be pleased to state:

(a) whether Punjab & Sind Bank is not making any sincere efforts to bring down its net non-performance assets (NPA) to zero percent;

(b) if so, the reasons therefor;

(c) whether cases of NPAs below Rs. 25 lakh are still pending for disposal for more than one year despite handsome offers made by borrowers; and

(d) if so, the number of cases pending below Rs. 25 lakh for settlement and the steps being taken to settle these cases early?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Punjab & Sind Bank is making efforts to bring down its Net non-performing assets (NPAs) to a lower level. Due to recoveries of NPAs and higher provisions made against the NPAs in the last four years, the Net NPAs of the bank has come down from 12.27% to 9.6%. Bank proposes to reduce it further to 1.99% by March 2007.

(b) and (d) Do not arise.

(c) No, Sir.

**Merger of DA**

1420. SHRI G. VENKATSWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued orders for the merger of 50 percent D.A. with the basic pay of Central Government employees;

(b) if so, whether the entitlement of LTC and Government accommodation still continue to be computed on the basis of basic pay alone without taking into account the merger of D.A. with their basic pay;

(c) if so, the reasons therefor; and

(d) the time by which the remedial orders in this regard are proposed to be issued and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Yes, Sir.

(c) This was done to obviate the need for revising the existing entitlements of LTC and Government accommodation.

(d) In view of the reply to Part (c) of the question, no remedial orders are necessary.

**Death of Tobacco Farmers in Andhra Pradesh**

1421. SHRI M. SREENIVASULU REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it has come to the notice of the Government of India that there has been deaths of tobacco farmers in Andhra Pradesh due to failure of paying the debts borrowed by them in view of failures of monsoons constantly for the last 3 years and also due to failure of getting the remunerative price; and

(b) if so, indicate the steps taken by the Government to stop the deaths of tobacco farmers in A.P.?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) Two tobacco growers committed suicide. Available information suggests that the growers did not incur losses on tobacco cultivation. Reportedly, the growers cultivated other crops and might have sustained losses in these crops and were unable to clear the debts. Financial assistance is being arranged for the families of the deceased growers through contribution from other growers.

**Indo-China Bilateral Ties in Infrastructure Sector**

1422. SHRI KIRIP CHALIHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether China has offered to expand bilateral ties with India in the infrastructure sector;

(b) if so, the details thereof;

(c) the reaction of Government thereto;

(d) whether detailed talks have been held between the two countries in this regard and modalities finalised; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (e) Recently, a Chinese delegation visited India and had an interaction with the Indian businessmen and expressed the desire of Chinese companies to jointly explore projects on BOT basis in areas like railways, housing, hospitals, bridges, etc. The Chinese companies have been participating in the process of award of works in the infrastructure sector. Some of the infrastructure projects in which Chinese companies are associated are:

- (i) M/s. China National Machinery & Equipment Import & Export Corporation thermal power project at Muddanur, Rayalaseema, Andhra Pradesh.
- (ii) China Coal Construction Company in the four-laning and strengthening, part of the two-lane national highway from Shikohabad to Etawah in Uttar Pradesh.
- (iii) Shandong Electric Power Construction Corporation in the BALCO Project in the construction and three-year post operative maintenance contract for the captive power project for the Sterlite-owned aluminium producer, BALCO, at Korba, Chhattisgarh.
- (iv) ZTE in BSNL & MTNL projects for DWDM (Dense Wavelength Division Multiplexing) systems, BSNL's CDMA project and MTNL's ADSL (Asymmetric Digital Subscribers Line) project.

### Anti Dumping Cases Investigations

1423. SHRI DINSHA PATEL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the anti-dumping cases have significantly declined in the year 2004 as a result of the pressure from the European Commission;

(b) if so, the details thereof;

(c) the details showing the date on which petition was first filed by the domestic industry, date of initiative of investigations, in respect of all complaints filed on or after 1st January, 2002; and

(d) the details showing cases where complaints of dumping filed by the Indian Industry have been closed without investigations within the meaning of anti-dumping rules and reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) No, Sir.

(b) Does not arise.

(c) Details of anti-dumping investigations initiated based on the complaints filed from 1.1.2002 till 12.7.2004 are given in Statement-I. Besides, there are 10 applications under scrutiny in the Directorate General of Anti-Dumping and Allied Duties.

(d) Details of anti-dumping applications received from 1.1.2002 till 12.7.2004 and closed for various reasons are in the Statement-II.

### Statement I

#### *Anti-dumping applications filed from 1.1.2002 till 12.7.2004 and investigation initiated*

Sl.No.	Product/ Name of the applicant (s)	Country (ies)	Date of receiving/processing of application	Date of initiation of investigation
1	2	3	4	5
1.	Sodium TriPoly Phosphate (STPP) M/s. Albright & Wilson Chemicals India Ltd., Mumbai	China & Taiwan*	16.1.02	15.2.2002
2.	Forged Rolls M/s. Gontermann-Piper (India) Ltd., West Bengal	Ukraine, Russia & Korea	3.1.02	27.8.2002

1	2	3	4	5
3.	Phenol M/s. Hindustan Organic Chemicals Ltd., Gujarat	EU, Singapore, & S. Africa	6.2.02	15.2.2002
4.	(-) Para Hydroxy Phenyl Glycine Base (PHPG) M/s. Daurala Organics Ltd., Uttar Pradesh	EU	22.2.02	8.3.2002
5.	Ferro Silicon M/s. Indian Metals and Ferro Alloys Ltd., Maharashtra	S. Africa & Macedonia	14.3.02	11.4.2002
6.	Caustic Soda Alkali Manufacturers Association of India, Delhi.	Korea & China	21.3.02	14.5.2002
7.	Citric Acid M/s. Citurgia Biochemical Ltd., Maharashtra	Indonesia & Thailand	28.3.02	16.4.2002
8.	Float Glass All India Flat Glass Manufacturers Association, New Delhi	China & Indonesia	3.4.02	5.7.2002
9.	Plastic Ophthalmic Lenses M/s. Techtran Poly lenses Ltd., Hyderabad	Taiwan* & China	12.4.02	27.8.2002
10.	Hot Rolled Coils, Strips, Sheets & Plates SAIL & M/s. Essar Steel, New Delhi.	S. Africa, Romania, Venezuela, Netherlands, S. Arabia, U.K., Australia, Canada, Kazakhstan & Singapore	30.4.02	25.9.2002**
11.	Methylene Chloride M/s. Gujarat Alkalies & Chemicals Ltd., Mumbai	EU, S. Africa & Singapore	16.5.02	19.8.2002
12.	(-) Para Hydroxy Phenyl Glycine Methyl Potassium Dane Salt (PHPG-DS) M/s. Daurala Organics Ltd., Uttar Pradesh	China & Singapore	17.5.02	25.6.2002
13.	Vitamin-C M/s. Ambala Sarabhai Enterprises, Gujarat	USA & Canada	20.5.02	14.8.2002
14.	Non-Brass Metal Flashlights M/s. Eveready Industries (India) Ltd., Kolkata	China	21.6.02	9.9.2002
15.	Mulberry Raw Silk Central Silk Board, Bangalore	China	8.7.02	17.7.2002
16.	Para Cresol M/s. Atul Ltd., Gujarat	China	11.7.02	27.8.2002

1	2	3	4	5
17.	Vitamin-E M/s. Merck India Ltd., Vadodara	China	15.7.02	27.8.2002
18.	Ball Bearings Ball and Roller Bearings Mfrs. Assn. of India, New Delhi	China, Poland, Russia & Romania	15.7.02	21.9.2002
19.	Measuring Tapes M/s. Frémans Measures Ltd. & FMI Ltd. Ludhiana	China	16.7.02	22.10.2002
20.	Sodium Hydrosulphite M/s. Transpek Silox Ltd. Vadodara & Demosha Chemicals Ltd., Mumbai	Germany & Korea	22.7.02	14.11.2002
21.	Hexamine M/s. Kanoria Chemicals & Industries Ltd., Mumbai	Iran	23.7.02	18.9.2002
22.	Ammonium Nitrate M/s. Gujarat Narmada Valley Fertilizer Co. Ltd., M/s. NALCO, M/s. Deepak Fertilizer & Petrochemicals, Pune	Russia & Iran	29.7.02	20.9.2002
23.	Caustic Soda Alkali Manufacturers' Assn. of India, Delhi	Indonesia, Taiwan and EU (Except France)	21.8.02	8.10.2002
24.	Borax Decahydrate M/s. Borax Morarji Ltd., Mumbai	China, Turkey	2.9.02	25.11.2002
25.	Potassium Carbonate M/s. Gujarat Alkalies & Chemicals Ltd., Vadodra	EU, China, Korea and Taiwan	18.9.02	19.12.2002
26.	Butter Oil Centre for International Trade in Agriculture & Agro Based Industries, Delhi	New Zealand	20.9.02	25.11.2002**
27.	Met Coke (with Ash content less than 18%) Indian Metallurgical Coke Mfrs. Assn., New Delhi	Japan	23.9.02	20.3.2003
28.	Copper Clad Laminates M/s. Gujarat Perstorp Electronics Ltd., Gujarat	China, Taiwan, Hong Kong, S. Korea, Philippines, Singapore* & Thailand*	17.10.02	24.12.2002
29.	Green Veneer Tape M/s. Waterproof Corp. Pvt. Ltd., Mumbai	Taiwan	13.11.092	9.1.2002
30.	Titanium Dioxide Titanium Dioxide Manufacturers Association, Kerala	China	12.12.02	16.1.2003

1	2	3	4	5
31.	Methylene Chloride M/s. Gujarat Alkalies and Chemicals Ltd., Vadodara	Korea	26.12.02	19.2.2003
32.	Sun/Dust Control (Polyester Film) M/s. Garware Polyester Ltd., Mumbai	Taiwan & UAE	1.1.03	3.3.2003
33.	Thermal Sensitive Paper (TSP) M/s. Shree Krishna Paper Mills & Industries Ltd., New Delhi	Indonesia, Malaysia & UAE	1.1.03	29.7.2003
34.	Chloroquine Phosphate M/s. Ipca Laboratories Ltd., Chennai	China	7.2.03	16.7.2003
35.	Flexible Slabstock Polyol M/s. Manali Petrochemicals Ltd., Chennai	China, Korea, Taiwan & Brazil	11.3.03	21.5.2003
36.	Acrylic Fibre Forum of Acrylic Fibre Manufacturers, New Delhi	Belarus	17.3.03	1.7.2003
37.	Coated Paper M/s. BILT Graphics Papers Ltd., Haryana	Indonesia & EU	24.4.03	17.6.2003
38.	Propylene Glycol M/s. Manali Petrochemicals Ltd., Chennai	USA, Singapore, Korea & EU	9.5.03	22.8.2003
39.	Gypsum Plaster Board M/s. India Gypsum Ltd., New Delhi	Indonesia & Thailand	3.6.03	5.8.2003**
40.	PVC Paste Resin M/s. Chemplast Sanmar Ltd. Chennai	EU, Saudi Arabia, South Korea	11.7.03	22.8.2003
41.	6-Hexanelactam (Caprolactam) M/s. Gujarat State Fertilizers & Chemicals Ltd., Gujarat	EU, Japan, Nigeria & Thailand	17.7.03	22.9.2003
42.	Melamine Gujarat State Fertilizers & Chemicals Ltd., Gujarat	China	22.7.03	10.9.2003
43.	Cyclohexanone M/s. Gujarat State Fertilizers & Chemicals Ltd., Gujarat	Taiwan, EU & USA	25.7.03	8.10.2003
44.	Toluene Di-Isocyanate M/s. Narmada Chemature Petrochemicals Ltd., Gujarat	Taiwan, EU, Japan, Korea RP & USA	22.8.03	20.10.2003
45.	Nylon Tyre Cord Fabric Association of Synthetic Fibres Industries, New Delhi.	China	15.9.03	29.10.2003
46.	Mica Pearl Pigment M/s. Sudarshan Chemicals, Pune	China, Japan, USA & EU	18.9.03	23.12.2003

1	2	3	4	5
47.	Narrow Woven Fabric Ms. Sky Industries Ltd., New Delhi	China & Taiwan	1.10.03	9.6.2004
48.	Gypsum Plaster Board M/s. India Gypsum Ltd., New Delhi	Indonesia & Thailand	4.11.03	28.6.2004
49.	Certain Rubber Chemicals M/s. National Organic Chemical Industries Ltd. Mumbai	China PR	31.3.04	7.7.04

\*Anti-Dumping Duty not recommended.

\*\*Investigation initiated but subsequently terminated for various reasons.

### **Statement II**

*Anti-dumping applications closed after scrutiny from 1.1.2002 till 12.7.2004*

Sl.No.	Product/ Name of the applicant (s)	Date of receiving/processing of application	Country (ies)	Reasons for Closure
1	2	3	4	5
1.	Thermobond Coverstock	4.3.02	Thailand & Singapore	For want of complete information.
2.	Aluminium Electrolytic Capacitors M/s. Webelsen Capacitors, West Bengal	11.3.02	Chinese Taipei, China PR, Hong Kong, Korea RP & Singapore	Deficiencies in application.
3.	Steel Melting Scrap	20.5.02	EU, Japan, UAE & Singapore	Deficiencies in application.
4.	Polyester Staple Fibre Association of Synthetic Fibre Industry, Delhi	7.10.02	Indonesia	For want of response from the domestic industry.
5.	Newsprint Indian Newsprint Manufacturers Assn. New Delhi	23.4.03	EU, Canada, Indonesia, Philippines, Russia, Korea RP & USA	No sufficient evidence of injury and causal link.
6.	Isobutyl Benzene M/s. Vinati Organics Ltd., Mumbai	19.5.03	China PR	No Injury and causal link.
7.	Saccharin All India Saccharin Manufacturers Association, Mumbai	2.6.03	China PR	Application was withdrawn.
8.	Soda Ash M/s. Alkali Manufacturers Association of India	9.8.03	Kenya	No injury and causal link.
9.	Ammonium Nitrate M/s. Deepak Fertilizers Ltd. & Gujarat Narmada Valley Fertilizers Ltd., Gujarat	15.9.03	Ukraine	For want of response from the domestic industry.



1	2	3	4	5
10.	Oxo Alcohols (Iso Nonanol & NBA M/s. Andhra Petrochemicals Ltd.	16.9.03	EU, Singapore & S. Africa	For want of response from the domestic industry.
11.	Chinese Silk Fabric Karnataka Weavers Federation, Bangalore	15.10.03	China	Application not fully documented.
12.	Saccharin All India Saccharin Manufacturers Association, Mumbai	26.10.03	China	For want of response from the domestic industry.
13.	Green Veneer Tape M/s. Waterproof Corp. Pvt. Ltd., Mumbai	21.11.02	China PR and Malaysia	For want of response from the domestic industry.
14.	Lead Acid Batteries Exide, Kolkata, Amara Raja, Chennai and Amco, Bangalore	8.12.03	Thailand, Vietnam & Malaysia	For want of response from the domestic industry.
15.	Sodium Cyanides M/s. Cyanide & Chemicals Company, Delhi & Ms. Gujarat Alkalies & Chemicals Ltd., Vadodara.	15.12.03	Australia and Taiwan	For want of response from the domestic industry.
16.	Vitamin-A Palmitate M/s. Nicholas Piramal India Ltd., Delhi	26.12.03	China Pr & Switzerland	For want of response from the domestic industry.
17.	Hydrofluoric Acid (70%) AHF Mnfrs. Assn. Andhra Pradesh	31.12.03	China PR	No merit for initiation of a fresh case for the same product.
18.	Glass Panels for Colour Picture Tube M/s. Videocon International Ltd. Gujarat	7.1.2004	China, Korea and Malaysia	Injury and causal link could not be substantiated.
19.	Stepper Motor Counter M/s. Konark Industria, Bangalore	21.1.04	China PR	For want response from the domestic industry.
20.	1-Phenyl-3-Methyl-5-Pyrazolone M/s. Prima Chemicals, Ahmedabad.	17.5.04	China PR	Deficiencies in the application.

#### Legislation for Special Economic Zones

1424. SHRI PRAKASHBAPU V. PATIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to create a legislation for Special Economic Zones (SEZs) to create a stable investment climate and to attract substantial investment;

(b) if so, the details thereof;

(c) whether the proposed legislation would extend income tax benefits on reinvestment of profits for a certain period of time; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) to (d) The Government intends to enact a legislation for the Special Economic Zones covering all aspects of their establishment, operation and fiscal regime. No conclusive decision has been taken on the contents.

*[Translation]*

#### **Industrially Backward Area**

1425. SHRI SHAILENDRA KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware that the backward reserved areas all over India are zero industry areas;

(b) if so, whether that has given rise to unemployment;

(c) if so, the scheme of the Government for such areas;

(d) whether the Government is likely to consider setting up industries at such places; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (e) Promotion of industrial development in backward areas is primarily dependent on the initiative of the State Government. The Union Government supports the State's efforts through various Schemes/incentives. Further, after the announcement of the new industrial policy, investment decisions are based on the commercial perception of the entrepreneurs. The details of various Schemes/incentives being implemented by the Central Government for industrialization of the industrially backward areas are given below:

#### **(I) Income Tax Concession**

(1) Section 80-IC of the Income-Tax Act provides fiscal incentives to certain special category States including the North-Eastern States. As per this provision a new industrial undertaking set up on or after the 24th of December 1997 but before 1.4.2007 or an existing undertaking which undertakes substantial expansion during this period and which is located in certain notified areas is eligible for 100% income-tax exemption for a period of 10 assessment years. A similar deduction is available for all new undertakings or existing undertakings which undertake substantial expansion and which are engaged in specified thrust sector activities.

(2) Tax incentives are also available to industries set up on or before 31.3.2004 in the backward districts of the country. While industries in Category A backward districts are eligible for 100% deduction for 5 years followed by 25% (30% in the case of companies) for the next 5 years, industries in Category B backward district are eligible for 100% deduction for 3 years followed by 25% (30% in the case of companies) for the next 5 years. The copy of Ministry of Finance's order regarding Category A and B backward districts is appended (Statement).

#### **(II) Growth Centre Scheme**

With a view to promote industrialization of backward areas in the country, the Government of India, in June, 1988, had announced the Growth Centre Scheme which became operational from 1991 under which 71 Growth Centres were proposed to be set up throughout the country with basic infrastructure facilities such as power, water, telecommunications and banking to enable them to attract industries. These have been allocated amongst States on the basis of a combined criteria of area, population and extent of industrial backwardness. All the Seventy One growth centres have been sanctioned by the Government of India.

The Central Government assists the State Governments by contributing upto Rs. 10 crores by way of equity for each growth centre. The balance funds are to be raised by the State Governments and their agencies who implement the projects. The amount of Central assistance has been increased to Rs. 15 crores for each growth centre in the North-Eastern Region, Himachal, Uttaranchal, Jammu & Kashmir and Sikkim.

**(III) Transport Subsidy Scheme**

This Scheme was introduced in July, 1971 to promote industries in hilly, remote and inaccessible areas. The scheme is applicable to the States of Himachal Pradesh, Jammu & Kashmir, the North Eastern States, Sikkim, Union Territories of Andaman & Nicobar Islands and Lakshadweep, Darjeeling district of West Bengal and to specified districts of Uttaranchal. Under the Scheme, subsidy ranging from 50%-90% is admissible on transport costs incurred on movement of raw materials and finished goods from designated rail heads/ports up to the location of the industrial units and vice-versa for a period of five years from the date of commencement of commercial production. The scheme has been extended up to 31.3.2007.

**(IV) The following three schemes have also been introduced for accelerating industrialization in the North-Eastern region**

**(1) Capital Investment Subsidy Scheme**

Under this scheme, a subsidy @ 15% of the investment in plant and machinery subject to maximum of Rs. 30 lakh would be admissible to industries located in the growth centres and to new industrial units and/or their substantial expansion in other identified areas in the North East region.

**(2) Central Interest Subsidy Scheme**

The Scheme provides Interest subsidy @ 3% on the working capital loan to eligible industrial units in the North Eastern region for a period of ten years after the unit goes into production.

**(3) Comprehensive Insurance Scheme**

This Scheme envisages insurance benefits of 100% premium to all eligible industrial units set up in the North Eastern region after 24th December, 1997. The insured party shall pay initial premium which shall be reimbursed by the nodal insurance company out of a revolving fund maintained by the company. Funds for this revolving fund shall be contributed by the Department of Industrial Policy & Promotion. The Scheme will remain effective for a period of 10 years i.e. up to 13.7.2009.

The benefits under the aforesaid Schemes are available to the States of Jammu & Kashmir also. In Uttaranchal and Himachal Pradesh, the subsidy benefit is

available only under Transport Subsidy Scheme and Comprehensive Insurance Scheme.

**(V) Integrated Infrastructure Development Scheme (IID)**

The office of the Development Commissioner (Small Scale Industries), Ministry of Small Scale Industries is also implementing the Integrated Infrastructure Development Scheme (IID) for development of backward areas.

The scheme, introduced in 1994, envisages to develop infrastructure facilities for small industries to facilitate location of industries in rural/backward areas. The Central Government and Small Industries Development Bank of India contribute to each IID Centres Rs. 5 crore in the ratio of 2:3 and the cost in excess thereof and the cost of land is met by the concerned State Government.

For the North Eastern States, the funding pattern (sharing of funds) has been changed from 2:3 between Government of India and SIDBI/Financial Institutions to 4:1.

**(VI) In addition to above, the Development Commissioner (Small Scale Industries), Ministry of Small Scale Industries is also implementing following Schemes/Programmes for the benefits of SSI sector in addition to Integrated Infrastructure Development Scheme (IIDS) uniformly throughout the country.**

1. Tool Rooms provide training facilities in the field of tool design, dye making etc.
2. Central Footwear Training Institutes impart training on shoe design and related matters through CAD/CAM.
3. Process-cum product Development Centres at Meerut, Agra & Kanauj provides training and undertake product development.
4. Under Integrated Technology Upgradation and Management Programme, clusters of small-scale industries are taken up for technology upgradation and other overall development.
5. ISO-9000/14001 Certification Reimbursement Scheme provides reimbursement upto Rs. 75,000/-or 75% of the cost, whichever is more incurred by the units for obtaining requisite certification from the competent authority.

6. Regional Testing Centres and Field Testing Stations provide testing facilities for BIS Standard of products.
7. The Marketing Development Assistance Scheme has been launched to introduce appropriate packaging and bar coding of products.
8. Credit Guarantee Trust Fund has been set up to provide guarantee for collateral free credit facilities upto Rs. 25 lakhs.
9. Credit Linked Capital Subsidy Scheme provides 12% of capital subsidy (to a maximum of Rs. 4.8 lakhs) for upgradation of technology.

**Statement**

*To be Published in the Gazette of India Extraordinary  
Part II, Section 3, Subsection (II), dated 7th October,  
1997*

*Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes*

New Delhi, the 7th October, 1997

**Notification**

**Income-Tax**

S.O. 714 (E)—In exercise of powers conferred by Section 80-IA of the Income Tax Act, 1961 (43 of 1961), as amended by Section 3 of the Income Tax (Amendment) Ordinance, 1997 (15 of 1997) and in supersession of the notification of Government of India, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) number 636 (E), dated 3rd September, 1997, except as respects things done or omitted to be done before such supersession, the Central Government specifies the following districts as industrially backward districts of Category 'A' and Category 'B' under Sub-clause (c) of clause (iv) of sub-section (2) of Section 80-IA read with rule 11EA of the Income Tax Rules, 1962; namely:

**A. Category 'A' industrially backward districts**

- |    |        |       |
|----|--------|-------|
| 1. | Godda  | Bihar |
| 2. | Gumla  | Bihar |
| 3. | Araria | Bihar |

- |     |                |                |
|-----|----------------|----------------|
| 4.  | Gadchiroli     | Maharashtra    |
| 5.  | Madhepura      | Bihar          |
| 6.  | Sidharthanagar | Uttar Pradesh  |
| 7.  | Dumka          | Bihar          |
| 8.  | Mandla         | Madhya Pradesh |
| 9.  | Khagaria       | Bihar          |
| 10. | Kishanganj     | Bihar          |
| 11. | Malda          | West Bengal    |
| 12. | Palamau        | Bihar          |
| 13. | Phulbani       | Orissa         |
| 14. | Madhubani      | Bihar          |
| 15. | Kalahandi      | Orissa         |
| 16. | Jehanabad      | Bihar          |
| 17. | Saharsa        | Bihar          |
| 18. | West Dinajpur  | West Bengal    |
| 19. | Nawadah        | Bihar          |
| 20. | Bahraich       | Uttar Pradesh  |
| 21. | Sitamarhi      | Bihar          |
| 22. | Sahebganj      | Bihar          |
| 23. | Murshidabad    | West Bengal    |
| 24. | Cooch Behar    | West Bengal    |
| 25. | Bankura        | West Bengal    |
| 26. | Panna          | Madhya Pradesh |
| 27. | Pratapgarh     | Uttar Pradesh  |
| 28. | Maharajganj    | Uttar Pradesh  |
| 29. | Jalore         | Rajasthan      |
| 30. | Aurangabad     | Bihar          |
| 31. | East Champaran | Bihar          |
| 32. | Banda          | Uttar Pradesh  |
| 33. | Barmer         | Rajasthan      |
| 34. | Purnia         | Bihar          |
| 35. | Bastar         | Madhya Pradesh |
| 36. | Siwan          | Bihar          |

37.	Vaishali	Bihar	16.	Banaskantha	Gujarat
38.	Basti	Uttar Pradesh	17.	Sabarkantha	Gujarat
39.	Sarguja	Madhya Pradesh	18.	Bidar	Karnataka
40.	Chamoli	Uttar Pradesh	19.	Seoni	Madhya Pradesh
41.	Jaisalmer	Rajasthan	20.	Tikamgarh	Madhya Pradesh
42.	Lohardagga	Bihar	21.	Shivpuri	Madhya Pradesh
43.	Chhatarpur	Madhya Pradesh	22.	Balaghat	Madhya Pradesh
44.	Uttarkashi	Uttar Pradesh	23.	Jhabua	Madhya Pradesh
45.	Churu	Rajasthan	24.	Sidhi	Madhya Pradesh
46.	Wayanad	Kerala	25.	Vidisha	Madhya Pradesh
47.	Idukki	Kerala	26.	Raigarh	Madhya Pradesh
48.	Jalpaiguri	West Bengal	27.	Morena	Madhya Pradesh
49.	Almora	Uttar Pradesh	28.	Betul	Madhya Pradesh
50.	Pithoragarh	Uttar Pradesh	29.	Rajgarh	Madhya Pradesh
51.	Tehri Garhwal	Uttar Pradesh	30.	Rajnandgaon	Madhya Pradesh
52.	The Dangs	Gujarat	31.	Sagar	Madhya Pradesh
53.	Banswara	Rajasthan.	32.	Beed	Maharashtra
<b>B. Category 'B' industrially backward districts</b>			33.	Bolangir	Orissa
1.	Srikakulam	Andhra Pradesh	34.	Mayurbhanj	Orissa
2.	Mahbubnagar	Andhra Pradesh	35.	Balasore	Orissa
3.	Katihar	Bihar	36.	Ganjam	Orissa
4.	Bhagalpur	Bihar	37.	Dungarpur	Rajasthan
5.	Gopalganj	Bihar	38.	Dholpur	Rajasthan
6.	Darbhanga	Bihar	39.	Sawai Madhopur	Rajasthan
7.	West Champaran	Bihar	40.	Tonk	Rajasthan
8.	Saran	Bihar	41.	Nagaur	Rajasthan
9.	Bhojpur	Bihar	42.	Jhalawar	Rajasthan
10.	Samastipur	Bihar	43.	Sikar	Rajasthan
11.	Deoghar	Bihar	44.	Hardoi	Uttar Pradesh
12.	Nalanda	Bihar	45.	Lalitpur	Uttar Pradesh
13.	Gaya	Bihar	46.	Hamirpur	Uttar Pradesh
14.	Muzaffarpur	Bihar	47.	Badaun	Uttar Pradesh
15.	Rohtas	Bihar	48.	Fatehpur	Uttar Pradesh

49.	Azamgarh	Uttar Pradesh
50.	Etah	Uttar Pradesh
51.	Barabanki	Uttar Pradesh
52.	Etawah	Uttar Pradesh
53.	Deoria	Uttar Pradesh
54.	Ghazipur	Uttar Pradesh
55.	Ballia	Uttar Pradesh
56.	Jaunpur	Uttar Pradesh
57.	Sitapur	Uttar Pradesh
58.	Jalaun	Uttar Pradesh
59.	Unnao	Uttar Pradesh
60.	Faizabad	Uttar Pradesh
61.	Kanpur Dehat	Uttar Pradesh
62.	Mainpuri	Uttar Pradesh
63.	Gonda	Uttar Pradesh
64.	Farukhabad	Uttar Pradesh
65.	Sultanpur	Uttar Pradesh
66.	Mirzapur	Uttar Pradesh
67.	Mau	Uttar Pradesh
68.	Purulia	West Bengal
69.	Birbhum	West Bengal
70.	Midnapore	West Bengal

Explanation: For the purpose of this notification, the districts correspond to the districts mentioned in the Report of the Study Group on identification of Backward Districts dated 4th October, 1994 and are based on districts as they stood in the Census Report of 1991. Where a district specified as an industrially backward district for the purpose of Section 80-IA is reorganised, either by split or otherwise, after the Census Report of 1991, all the areas comprised in the district as it existed in the Census Report of 1991 will qualify for the purpose of this rule.

2. This notification shall be deemed to have come into force with effect from the 1st day of October, 1994.

#### **Explanatory Memorandum**

The Central Government had set up a Study Group to identify industrially backward districts for the purposes

of Section 80-IA of the Income Tax Act, 1961. The Group submitted its Report to the Central Government in the month of October, 1994. The Central Government constituted another Study Group to review the said Report. On the basis of the reports of both the Study Groups, the Central Government decided that the industrially backward districts should be classified into two categories i.e, Category 'A' and Category 'B' Section 80-IA was amended by the Income Tax (Amendment) Ordinance, 1997 (15 of 1997) so as to classify the industrially backward districts of category 'A' and industrially backward districts of Category 'B'. The said Ordinance has come into force on the 16th September, 1997. Rule 11EA of the Income Tax Rules, 1962 has also been amended retrospectively with effect from 1-10-1994 so as to give effect to the amendment made in Section 80-IA of the Income Tax Act by the said Ordinance. It is certified that the retrospective operation of this amendment shall not prejudicially effect the interest of assesseees.

Sd/-

(DR. DHEERAJ BHATNAGAR)  
UNDER SECRETARY TO THE  
GOVERNMENT OF INDIA

F.No. 142/20/94-TPL (Pt. III)  
Notification No. 10441.

#### **Air Service between Jabalpur and Delhi**

1426. SHRIMATI NEETA PATERIYA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether air service between certain air sectors including Jabalpur and Delhi has been discontinued;

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

(c) the time by which these services will be restarted?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) Prior to 5th September 2001, Jabalpur was linked by Indian Airlines by DO228 services. Effective 5th September 2001, Jabalpur was linked with B737 aircraft on Delhi-Raipur-Jabalpur-Delhi route on thrice weekly basis. The passenger carriage between Delhi-Jabalpur was about 20 passengers per flight.

In view of inadequate passenger demand, B737 services were withdrawn from Jabalpur effective 25th March, 2003 and Jabalpur was re-linked with DO228 aircraft on Delhi-Gwalior-Jabalpur and vice versa route.

In view of reduction in DO228 aircraft fleet due to an incident at Jaipur in June 2002, Indian Airlines had to withdraw DO228 services from Jabalpur along with other stations such as Shimla, Kulu, Dehradun, Gwalior and Dharamshala effective September, 2002.

(c) Due to inadequate passenger demand and non-availability of suitable aircraft in its fleet Indian Airlines is not considering restarting air services to/from Jabalpur for the present.

*[English]*

#### **Debt Recovery Tribunal in Tamil Nadu**

1427. SHRI A.K. MOORTHY: Will the Minister of FINANCE be pleased to state:

(a) whether a proposal for setting up of Debt Recovery Tribunal at Madurai in Tamil Nadu is under consideration of the Government;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) There is no proposal at this stage to set up a Debts Recovery Tribunal (DRT) at Madurai. Currently there are 3 DRTs (Chennai-I, Chennai-II and Coimbatore) having jurisdiction over cases pertaining to Tamil Nadu and Pondicherry. The present workload in the above DRTs does not justify creation of another DRT immediately to cover cases in Tamil Nadu and Pondicherry.

#### **Amendments in Evidence (Amendment) Act, 2002**

1428. SHRIMATI JAYABEN B. THAKKAR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government is aware that voicing concern over the rise in custodial deaths and torture of suspects, the Supreme Court has asked the Government to seriously consider the Law Commission's recommendations to change the Evidence (Amendment) Act, 2002 for curbing such offences and punishing erring police officials; and

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

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) Yes, Sir.

(b) The Central Government is studying the various recommendations contained in the 185th Report of Law Commission of India on the Review of the Indian Evidence Act, 1872 in consultation with the Supreme Court of India, High Courts, Bar Council of India, State Bar Councils and the State Governments/Union territory administrations. As the Report is voluminous and involves deep study and careful consideration, it will take some time before a final decision in the matter is taken.

#### **Economic Reforms**

1429. SHRI TATHAGATA SATPATHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has prepared any agenda on Economic Reforms;

(b) if so, the details thereof;

(c) the extent of progress achieved after the start of economic reforms in each and every sector, sector-wise;

(d) whether the Government has taken any concrete steps to boost economic reforms for the coming years; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) 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 Government has now adopted the National Common Minimum Programme (NCMP) which spells out seven clear economic objectives:

1. maintaining a growth rate of 7-8 per cent per year for a sustained period;
2. providing universal access to quality basic education and health;
3. generating gainful employment in agriculture, manufacturing and services, and promoting investment;

4. assuring 100 days' employment to the breadwinner in each family at the minimum wage;
5. focusing on agriculture and infrastructure;
6. accelerating fiscal consolidation and reform; and
7. ensuring higher and more efficient fiscal devolution.

The broad objectives of the NCMP will provide the framework for the different Ministries of the Government to frame specific policies and devise appropriate programmes. The Planning Commission has advised the Ministries and Departments to redefine their priorities and redraw their programmes in accordance with the NCMP.

#### **Cement Manufacturers**

1430. SHRI MAHBOOB ZAHEDI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether for cement manufacturers, the spurt in domestic coal prices is at a time when the onset of the monsoon is beginning to take its toll on cement prices;

(b) if so, the details thereof;

(c) whether cement prices have begun to slide, especially in the select markets in the Western Region;

(d) if so, reasons therefor;

(e) whether ACC, which relies solely on domestic non-coking coal is likely to be the worst hit as analysis expects its cost to rise by Rs. 4; and

(f) if so, please state whether price hike fuelled by the onset of the monsoon, will slow down the construction activities in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) The cement prices are determined by market forces of demand and supply and are not dependent upon the price of a particular input used for its production. Onset of the monsoon causes lower level of construction activities resulting in decrease in demand for cement and consequent fall in cement prices.

(c) and (d) The prices of cement in the selected consumption centres (Mumbai, Ahmedabad, Nagpur, Pune, Rajkot, Baroda and Surat) in the Western region since the beginning of the current financial year do not show abnormal slide.

(e) The increase in the prices of domestic coal may lead to marginal increase in the cost of production of cement.

(f) As stated in (a) above, the construction activities are normally low in the months of monsoon and the prices are subdued.

#### **World Bank Aided Projects in Orissa**

1431. SHRI PARSURAM MAJHI: Will the Minister of FINANCE be pleased to state:

(a) the details of World Bank aided State sector projects being implemented in Orissa;

(b) the details of the projects being implemented in the KBK districts in the State; and

(c) if so, since when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Two World Bank aided State sector projects are being implemented in Orissa including the KBK districts. The details are provided in the table below:

Sl. No.	Name of the Project	Date of signing/closing	Amount of loan (Special drawing right-SDR million)	Disbursement upto 31.5.04 (Special Drawing right-SDR million)
1.	Orissa Water Resources Consolidation Project	5.1.96/30.9.04	279.0	170.919
2	Orissa Health System Development Project	13.8.98/31.3.05	76.4	18.813



### **Demand of Cement in Gulf**

1432. SHRI MILIND DEORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether demand of cement in Gulf has opened up export market for east coast units;

(b) whether the export prices have so far gone up by 30%, and if so, the details thereof;

(c) whether Indian exports are unable to meet the ever increasing demand of West Asian importers at a high price;

(d) the quantity of cement exported against the demand and efforts being made to fulfil the demands of exporters; and

(e) the profits being earned by export?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (c) The demand of cement in the Gulf has opened up export market for units located in coastal areas. The export prices have gone up by 15% to 20%. The Indian exporters are able to meet the entire demand for which they receive orders.

(d) and (e) The export of cement/clinker by Indian cement industry to all countries, including West Asian countries, during 2002-03 and 2003-04 was of the order of 6.2 million tonnes and 9.00 million tonnes respectively which shows that Indian exporters have the capacity to meet the increased demand from importing countries. There is stiff competition in the international export market and the prevailing prices of cement are only sufficient to recover the cost of production of cement.

### **Downsizing of Cabinet of States**

1433. SHRI KINJARAPU YERRANNAIDU: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the names of States which are required to downsize the number of their Ministers as per the Constitution (Ninety-Seventh Amendment) Bill, 2003;

(b) if so, whether all such States reduced the number of Ministers; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) to (c) The requisite information is being collected and will be laid on the Table of the House.

### **Anti-Dumping Case Against Chinese Companies**

1434. SHRI ADHIR CHOWDHARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has recently registered any anti-dumping case against the Chinese Companies;

(b) if so, the details thereof; and

(c) action taken against such companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) From 1.1.2003 till date, the Directorate General of Anti-Dumping and Allied Duties (DGAD) has initiated anti-dumping investigations into the alleged dumping of 8 products involving exporters from China. The products involved in these anti-dumping investigations are Titanium Dioxide, Flexible Slabstock Polyol, Chloroquine Phosphate, Melamine, Nylon Tyre Cord Fabric, Mica Pearl Pigment, Narrow Woven Fabric and Certain Rubber Chemicals.

(c) Of these 8 cases, final findings have been notified in the case of Titanium Dioxide, preliminary findings have been notified in the cases of Flexible Slabstock Polyol, Chloroquine Phosphate, Melamine and Nylon Tyre Cord Fabric recommending imposition of anti-dumping duties and the remaining 3 cases are under investigation.

### **Sugar Industry in Priority Sector for Lending**

1435. SHRI SHIVAJI ADHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal to make the sugar industry eligible for priority sector lending by commercial banks; and

(b) if so, the details taken by the Government in this regard?

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

(b) Does not arise.

**Credit Deposit Ratio**

1436. SHRI S.P.Y. REDDY: Will the Minister of FINANCE be pleased to state:

(a) the credit-deposit (CD) ratio of Public Sector Banks during the last three years, State-wise and bank-wise;

(b) whether all Public Sector Banks have been following the stipulated RBI guidelines with regard to minimum CD ratio;

(c) if so, the details thereof;

(d) whether CD ratio of Public Sector Banks has remained stagnant and not increased appreciably during the last three years;

(e) if so, the reasons therefor; and

(f) the remedial measures taken by the RBI to increase the CD ratio of all Public Sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The State wise and bank wise details of the CD Ratio of the Public Sector Banks (PSBs) during the last three years, as

reported by Reserve Bank of India are in the enclosed Statement-I and II, respectively.

(b) and (c) Yes, Sir. While RBI has been advising all PSBs to achieve a CD Ratio of 60% on all India basis. However, so far only Bank of India, Corporation Bank, State Bank of Indore, State Bank of Mysore and State Bank of Patiala could reach the above target during the year 2003-04.

(d) The CD ratio of all the PSBs during the last three years has been slightly varying which for the last 3 years as on March 31, 2001, 2002 & 2003 was 56.96%, 58.51% and 56.38% respectively.

(e) and (f) CD ratio of the Banks and the States depends upon the flow of credit to the States which in turn depends upon factors such as availability of adequate infrastructure facilities, development of core sector projects, large and medium industries entrepreneurial initiative, credit capacity of the state, conducive atmosphere for investment and satisfactory recovery position of Banks' dues. Further, initiative in this regard also lies with the State Governments to create a climate conducive to the enhancement of credit flow in the State. Instructions have also been issued from time to time to regularly monitor the CD ratio of the State and the Banks functioning there in the State level Bankers' Committee Meetings.

**Statement I***State-wise CD-Ratio of Public sector banks: 2002-2004*

(Per cent)

State/UT	As on March 31		
	2002	2003	2004
1	2	3	4
Andaman & Nicobar Islands	18.61	20.95	23.98
Andhra Pradesh	64.14	65.01	67.39
Arunachal Pradesh	11.74	13.82	14.83
Assam	32.07	28.44	30.28
Bihar	21.38	23.40	25.22
Chandigarh	134.31	131.36	117.66
Chhattisgarh	49.07	41.29	42.80

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1	2	3	4
Dadra & Nagar Haveli	17.25	17.46	17.02
Daman & Diu	9.81	9.01	10.14
Delhi	94.08	69.32	62.62
Goa	24.85	22.88	21.77
Gujarat	43.19	42.73	41.81
Haryana	45.89	48.12	53.62
Himachal Pradesh	23.00	24.93	30.27
Jammu & Kashmir	20.88	21.10	21.85
Jharkhand	24.16	25.99	26.17
Karnataka	63.74	67.30	68.88
Kerala	42.17	43.73	48.87
Lakshadweep	8.36	5.11	6.32
Madhya Pradesh	47.70	48.35	48.45
Maharashtra	92.68	88.82	74.65
Manipur	24.47	26.92	27.95
Meghalaya	17.82	29.73	38.50
Mizoram	24.36	25.11	37.48
Nagaland	12.90	13.25	17.48
Orissa	41.73	45.90	54.79
Pondicherry	30.11	31.41	34.27
Punjab	43.31	42.81	44.16
Rajasthan	51.20	54.12	61.49
Sikkim	16.02	17.32	22.25
Tamil Nadu	77.72	80.45	83.14
Tripura	19.58	23.07	22.61
Uttar Pradesh	29.90	30.83	33.70
Uttaranchal	22.86	18.45	19.90
West Bengal	46.83	48.20	49.72

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**Statement II*****Bank-wise CD-Ratio of Public Sector Banks: 2002-04***

(Per cent)

Bank Name	As on March 31		
	2002	2003	2004
State Bank of Bikaner & Jaipur	54.76	55.55	59.30
State Bank of Hyderabad	52.64	50.31	52.22
State Bank of India	71.45	60.61	57.85
State Bank of Indore	58.02	58.19	66.07
State Bank of Mysore	63.01	63.20	61.23
State Bank of Patiala	69.26	62.48	60.02
State Bank of Saurashtra	60.31	54.53	52.67
State Bank of Travancore	57.28	60.87	58.42
Allahabad Bank	53.84	54.52	52.62
Andhra Bank	54.54	55.66	59.78
Bank of Baroda	57.85	55.38	49.76
Bank of India	63.62	63.94	63.08
Bank of Maharashtra	47.07	46.89	48.87
Canara Bank	53.47	57.49	57.59
Central Bank of India	51.76	51.17	46.18
Corporation Bank	59.56	55.35	61.96
Dena Bank	56.50	57.15	56.65
Indian Bank	51.62	51.16	53.71
Indian Overseas Bank	47.66	48.32	50.14
Oriental Bank of Commerce	53.23	57.29	58.63
Punjab and Sind Bank	47.61	49.93	48.96
Punjab National Bank	57.54	56.63	57.00
Syndicate Bank	52.67	50.80	46.77
UCO Bank	51.11	55.92	56.13
Union Bank of India	56.95	60.93	62.28
United Bank of India	41.33	39.60	38.82
Vijaya Bank	44.28	48.55	53.93

**Air Freight Charges**

1437. SHRI SURESH KURUP: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government is aware that due to the differences in air freight charges, certain agricultural products of India are to be priced at a higher level as compared to the same products being exported by neighbouring countries of the continent;

(b) if so, the details thereof;

(c) whether the Government has any proposal to revise these rates;

(d) if so, the details thereof; and

(e) the time by which it is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (e)

Government does not regulate the air freight charges. In competitive environment, Air operators charge rates as per demand and supply situation.

*[Translation]*

**Decline in Textile Trade**

1438. SHRI BHUPENDRASINH SOLANKI: Will the Minister of TEXTILES be pleased to state:

(a) whether there is decline in the trade of textile for the last three years; and

(b) if so, the steps taken by the Government to promote textile industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELIA): (a) As per Directorate General of Commercial Intelligence & Statistics (DGCI&S) data, the trade of textiles during the last three years i.e. 2000-01, 2001-02 and 2002-03 have been as follows:

(Value in US\$ Million)

	Apr.-Mar. 2000-2001	Apr.-Mar. 2001-2002	Apr.-Mar. 2002-2003	Apr. 2002- Feb. 2003	Apr. 2003- Feb. 2004
Exports	12037.6	10764.7	11842	11142.2	11698.5
%Growth	—	-10.6%	10.0%	—	5.0%
Imports	1168.2	1539.4	1578.9	1497.7	1824.9
%Growth	—	31.8%	2.6%	—	21.8%
Total Trade	13205.8	12304.1	13420.9	12639.9	13523.4
%Growth	—	-6.8%	9.1%	—	7.0%

(b) To strengthen domestic textile industry for meeting the growing global competition, the following important announcement has been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

- Basic customs duty on various textiles machinery and spare parts has been reduced to 5%.

Beside, Government has been taking a number of steps from time to time to strengthen and promote the Indian textile industry. Some of the important initiatives taken are:

- The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of the sector.
- Weaving, processing and garment machinery, which are covered under TUFS, have been

extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.

- (iii) 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.
- (iv) For upgradation infrastructure facilities at important textile centers, a scheme 'Textile Centre Infrastructure Development Scheme' (TCIDS) has been launched.

#### Exports and Imports

1439. SHRI SURESH CHANDEL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the exports and imports made by India during the last one year;
- (b) the products mainly exported and the quantum of export of each product during aforesaid period;
- (c) whether exports from India are decreasing constantly and imports to India have increased in the recent past;
- (d) if so, reasons therefor; and
- (e) the steps taken or proposed to be taken to promote exports and discourage imports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) According to the provisional data provided by the DGCI&S, Kolkata, in 2003-04 India's exports and imports were US\$ 61.8 billion and US\$ 75.2 billion respectively. Principal commodities exported during April-February, 2003-04 are placed in the enclosed statement.

(c) to (e) No, Sir. While imports have increased, exports have also maintained an upward trend in the last two financial years and in the first two months of the present financial year. In 2002-03 & 2003-04 exports increased in dollar terms by 20.34% and by 17.26% respectively and in April-May, 2004-05 it increased by 24.86% compared to the corresponding period in the previous year. In fact, exports recorded more than the targeted growth in the last two years. Constant efforts are being made by the Government to deal with the situation by both promoting exports and monitoring the imports of sensitive items. A medium term Export Strategy which is coterminous with the 10th plan period (2002-07) was announced in January, 2002 with the objective of enhancing India's exports. In line with this strategy, a number of programmes/schemes have been launched which include schemes like Assistance to States for Developing Export Infrastructure (ASIDE), establishing Agri Export Zones, Market Access Initiative, strengthening "Focus LAC" programme, introducing "Focus Africa" programme, etc. In the Exim Policy 2003-04 and Exim Facilitation Measures announced in January, 2004, besides, the focus on Service exports and policies to strengthen Special Economic Zone (SEZs), a new programme called "Focus CIS" has been introduced. Thus measures are being taken from time to time to increase India's exports.

#### Statement

*Department of Commerce*

*Economic Division*

*Export of Principal Commodities: April-February, 2003-04*

(US \$ Million)

	Commodities 2002-2003	April-February 2003-2004	April-February Growth	Percentage Weight
1	2	3	4	5
I. Plantations	501.00	519.00	3.59	0.93
II. Agri & Allied Prdts	4264.00	4633.00	8.65	8.32
III. Marine Products	1304.00	1219.00	-6.52	2.19

	1	2	3	4	5
IV. Ores & Minerals		1809.00	1950.00	7.79	3.50
V. Leather & Mrs.		1703.00	1826.00	7.22	3.28
VI. Gems & Jewellery		8083.00	9277.00	14.77	16.65
VII. Sports Goods		68.00	84.00	23.53	0.15
VIII. Chemicals & Related Products		7125.00	8654.00	21.46	15.53
IX. Engineering Goods		6828.00	9215.00	34.96	16.54
X. Electronic Goods		1167.00	1545.00	32.39	2.77
XI. Project Goods		48.00	75.00	56.25	0.13
XII. Textiles		9942.00	10643.00	7.05	19.10
XIII. Handicrafts		692.00	396.00	-42.77	0.71
XIV. Carpets		498.00	523.00	5.02	0.94
XV. Cotton Raw incl. waste		7.00	135.00	1828.57	0.24
XVI. Petroleum Products		2228.00	3221.00	44.57	5.78
XVII. Unclassified Exports		871.00	1801.00	106.77	3.23
Grand Total		47136.11	55717.00	18.20	100.00

Source: Calculated by Economic Division, DOC based on DGCI&S, Data.

*[English]*

**Companies Delisted by BSE**

1440. SHRI VIJOY KRISHNA:  
SHRIMATI NIVEDITA MANE:  
SHRI KIRTI VARDHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Bombay Stock Exchange has delisted a number of companies;

(b) if so, the names of these companies and the reasons for the same;

(c) the action taken by the Government against the promoters of such companies so that the interest of shareholders/investors of such companies can be protected; and

(d) the names of the companies against whom the Government have taken action during each of the last three years, till date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Information is being collected and will be placed on the Table of the House.

*[Translation]*

**Export of Tea**

1441. DR. RAMKRISHNA KUSMARIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total quantum of tea exported during the last two years and the current year;

(b) the foreign exchange earned from the said export;

(c) the names of the countries to which tea is exported; and

(d) the extent to which tea is likely to be exported in future?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) Details of quantum of tea exported and foreign exchange earned during the last two financial years (2002-03 & 2003-04) and the first two months of current financial year 2004-05 (April-May) are as follows:

Year	Quantity (Million Kgs.)	Value (Rs. Crores)	Value (Millions US\$)
2002-03	184.40	1665.04	344.05
2003-04	180.43	1552.61	345.02
2004-05 (April-May)	23.05	181.28	40.81

(c) Tea is exported from India to more than 80 countries of the world. The major tea importing countries from India include Russian Federation, Kazakhstan, Ukraine, United Kingdom, Netherlands, Germany, Ireland, Poland, U.S.A., Canada, United Arab Emirates, Iraq, Afghanistan, Sri Lanka, Kenya, Japan, Pakistan and Australia.

(d) The target set for export of tea from India during 2004-05 is 200 million kgs.

*[English]*

#### Fund for SSI

1442. SHRI NITISH KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a decision was taken to constitute a fund worth Rs. 10,000 crores for small and medium scale industries during the year 2004-2005;

(b) if so, the facts thereof;

(c) the details of the present balance of the amount deposited in this fund and the amount disbursed; and

(d) if this fund has not been constituted so far, the reasons for the delay in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) to (d) Yes Sir. In order to improve the availability of credit to the small scale industries sector and to make small and medium enterprises (SME) viable and competitive in the changed environment, a SME Fund of Rs. 10,000 crore was announced in January, 2004.

The Small Industries Development Bank of India (SIDBI) has been entrusted with the task of structuring the modalities and for implementation of the Fund. The Fund aims at making available timely and adequate resources to SMEs and to benefit in particular the lower end of SME segment, in the broad areas of technology development, venture funding, cluster development, micro credit, credit rating facilitation and other promotional and developmental activities.

The total corpus of Rs. 10,000 crore is to be mobilized within a period of two years from SIDBI's own contribution and other borrowings. In addition to this the deposits received from foreign banks against their shortfall in priority sector lending have been earmarked towards the corpus of the Fund. An amount of Rs. 535 crore has been disbursed so far.

#### Payment of Dues on Sales Tax of Petroleum Products

1443. SHRI ANWAR HUSSAIN: Will the Minister of FINANCE be pleased to state:

(a) whether in spite of State Government of Assam's repeated requests, the Union Government did not release Assam's dues from the Sales Tax from petroleum products;

(b) if so, the details of amount due to Assam and the reasons for not releasing it; and

(c) the corrective steps taken by the Union Government in this regard?

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

#### Export Promotion Schemes

1444. SHRI B. VINOD KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is maintaining the State-wise data of export firms availing the benefits of various export promotion schemes being run by the Union Government;

(b) if so, the State-wise details of such export firms;

(c) the mechanism adopted by the Government to collect information about export firms misusing these facilities and the measures taken to check its misuse;



(d) the details of export firms against whom complaints have been received by the Government regarding misuse of export promotion scheme; and

(e) the action taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) No Sir, State-wise data of export firms availing the benefit of various export promotion schemes is not being compiled. However, based on the reports received from various regional offices of DGFT, as many as 2,21,108 approvals under various Export Promotion Schemes have been issued during the period 2003-04.

(c) Regional Offices of the DGFT periodically monitor the export obligations of the exporter/export firms to ensure that various export promotion schemes are not being misutilised. Whenever incidence of misutilisation or any non-fulfillment of export obligations come to notice, appropriate action under the provisions of the Foreign Trade (Development & Regulation) Act, 1992 and other relevant Acts are taken.

(d) and (e) No centralized data of the number of complaints received by the Government regarding misuse of export promotion scheme is maintained. However, as and when complaints are received, appropriate action is taken against the exporter/exporter firm.

*[Translation]*

#### **Closure of Units of Kanpur Sugar Works**

1445. SHRI MOHAN SINGH:  
SHRI BALESHWAR YADAV:

Will the Minister of TEXTILES be pleased to state:

(a) whether Gauri Bazar, Kathkuian, Padrauna mills running under Kanpur sugar works and Anandnaga, Deoria and Kushinagar sugar mills of Ministry of Textiles are lying closed for last many years;

(b) if so, the initiatives being taken by the Government regarding payment of salaries to the employees of these mills and outstanding payment of sugarcane to the farmers;

(c) whether the Government is considering for the revival of these mills; and

(d) if not, the initiative being taken by the Government to sell these mills to private sector?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) Yes, Sir.

(b) to (d) The shares of British India Corporation Ltd. (BIC) in Cawnpore Sugar Works Ltd. (CSWL) were transferred in favour of Gangotri Enterprises Ltd. (GEL) in January 1999 on the direction of BIFR.

Ganesh Sugar Mill is a unit of Swadeshi Mining & Mfg. Co. Ltd. (SMMC). SMMC is under liquidation orders of Allahabad High Court on the recommendations of BIFR. Therefore, the sugarcane dues/workers' dues will be liquidated by the Official Liquidator as per the provisions of the Companies Act.

*[English]*

#### **Functioning of SEBI**

1446. SHRI ABDUL RASHID SHAHEEN:  
SHRI MANSUKHBHAI D. VASAVA:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the irregularities and corrupt practices in the functioning of SEBI;

(b) whether there is a proposal to give the investigation to CBI for further probe into the irregularities and corruption in SEBI; and

(c) if so, the details thereof and if not, the reasons therefor?

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

(b) and (c) Does not arise.

#### **GDP Ratio in Comparison to Other Developing Countries**

1447. SHRI AJOY CHAKRABORTY: Will the Minister of FINANCE be pleased to state:

(a) whether the tax GDP ratio is very low in our country as compared to other developing countries;

(b) if so, the facts thereof;

(c) whether the Government proposes to take measures to increase this ratio; and

(d) if so, the measures proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The tax-GDP ratios of select developing countries, including India as given in the World Bank document 'World Development Indicators' are as under:

*Tax revenues as per cent of GDP*

Country	1999	2000	2001
Argentina	12.6	12.9	12.5
Bangladesh	—	7.0	7.0
China	6.1	6.8	6.8
Colombia	10.6	10.8	10.8
India	9.1	9.6	10.0
Indonesia	15.7	16.5	13.2
Mexico	11.7	12.3	13.2
Pakistan	13.1	12.1	12.4
Sri Lanka	14.9	14.5	14.6
Thailand	13.7	14.1	14.5

Source: World Bank—World Development Indicators 2001, 2002 and 2003.

(c) and (d) The National Common Minimum Programme commits the Central Government to increase the tax-GDP ratio by undertaking major tax reforms that expand the base of tax payers, increase tax compliance and make tax administration more efficient. Tax measures proposed in the Union Budget for 2004-05 presented to Parliament on July 8, 2004 include, *inter alia*, withdrawal of exemption on interest earned from Non-Resident (external) Account, taxation of gifts from unrelated persons above the threshold limit of Rs. 25,000, extension of credit of service tax and excise duty across goods and services with a view to moving towards integrating the tax on goods and services, extension of service tax to more services and increase in the rate of service tax from 8 per cent to 10 per cent. The Budget Estimates for 2004-05 indicate an improvement in tax-GDP ratio from 9.2 per cent in 2003-04 (RE) to 10.2 per cent.

### Interest on NRI Deposits

1448. SHRI N.N. KRISHNADAS: Will the Minister of FINANCE be pleased to state:

(a) the maximum percentage of interests for the NRI deposits decided by the nationalised banks in the country;

(b) whether the percentage of interest is attractive at present;

(c) if so, the details thereof; and

(d) the criteria which is being implemented for fixing up the percentage of interest for NRI deposits by the nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (d) The interest rate on NRE term deposits for one to three years were set at LIBOR/SWAP rates for US dollar of corresponding maturity, effective April 17, 2004, while the ceiling on interest rate on NRE savings deposits was fixed at six-month US dollar LIBOR/SWAP rate. The interest rates on FCNR (B) deposits for one to three years are subject to a ceiling of LIBOR/SWAP rates of the corresponding currency for the corresponding maturities minus 25 basis points.

(b) and (c) The interest rate on these deposits are linked to LIBOR/SWAP rate. They generally conform to global interest rates in foreign currency deposits in US dollar, pound sterling, euro etc. and are quite competitive.

### International Terminal

1449. SHRI VARKALA RADHAKRISHNAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has received any request from the Kerala Government for the construction of a modern international terminal at Trivandrum International Airport and other airports in the country;

(b) if so, the details thereof;

(c) whether the Government has accorded necessary sanction for the proposal;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) There is a proposal from the State Government of Kerala to construct a New International Terminal on the eastern side of the runway at existing Trivandrum International Airport. Airports Authority of India (AAI) has taken action for appointment of a global firm/consortia for designing new terminal building. Expressions of interest have been scrutinized and short-listed.

(c) and (d) AAI will take necessary steps for sanction of the project.

(e) On the basis of the award of the Jury adjudicating the design submitted by empanelled architects for the international terminal, necessary approval of the competent Authority in AAI, will be taken followed by preparation of detailed estimates for further necessary sanction.

#### **Scrutiny of Companies by SEBI**

1450. SHRI S.D. MANDLIK:  
SHRI KIRTI VARDHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether SEBI has asked the books of accounts for some brokers and sub-brokers for the last three years;

(b) if so, the names of the companies and the criteria for calling such books;

(c) the names of the companies who found guilty during the last three years while SEBI scrutiny; and

(d) the action taken against such companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Information is being collected and will be placed on the Table of the House.

#### **Tobacco Exports**

1451. SHRIMATI D. PURANDESWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether tobacco exports have increased considerably;

(b) if so, the countries importing them;

(c) whether the ban on smoking in public places in some countries has affected the exports; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) Yes, Sir. Exports of tobacco and tobacco products during 2003-04 increased by about 18% in quantity terms. Similarly unmanufactured tobacco exports during 2003-04 increased by 19% in quantity terms.

(b) Russia, Belgium, United Kingdom, Netherlands, France, Yemen and DPR Korea are major importers of tobacco from India.

(c) No, Sir.

(d) Does not arise.

#### **Liberalised FDI Policy**

1452. SHRI UDAY SINGH:  
SHRI ADHIR CHOWDHARY:  
SHRI Y.G. MAHAJAN:  
SHRI SUSHIL KUMAR MODI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government propose to come out with a liberalised FDI policy;

(b) if so, the details thereof;

(c) whether there is a fall in investment growth and rise in unemployment during the past few years; and

(d) if so, the extent to which FDI is going to boost investment growth and creation of large scale employment avenues in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Government has put in place a liberal and transparent Foreign Direct Investment (FDI) policy and most sectors have been placed under the automatic route except for a small negative list. FDI upto 100% is permitted on the automatic route for most activities/sectors except for a few sectors where caps have been prescribed.

In the Budget speech for 2004-05, Finance Minister has proposed to raise the sectoral cap for FDI in

telecommunication from 49 percent to 74 percent; in civil aviation from 40 percent to 49 percent; and in insurance from 26 percent to 49 percent.

(c) Gross domestic investment as per cent of GDP at current market prices declined from 26.9 per cent in 1995-96 to 22.6 per cent in 1998-1999. Although it increased to 25.2 per cent in 1999-2000, it again declined to 24 per cent in 2000-01 and further to 23.7 per cent in 2001-02. Decline was due to decline in both public and private investment ratios to GDP. The absolute number of unemployed increased from 20 million in 1993-94 to 27 million in 1999-2000. Also, the incidence of unemployment, (expressed in terms of unemployed as a percentage of the labour force) increased from 5.99% in 1993-94 to 7.32 percent in 1999-2000. However, employment growth in all the sub-sectors within services, exceeded 5 percent per annum.

(d) FDI supplements domestic investment and thus helps in boosting overall output and employment.

[*Translation*]

#### Loan Burden of States

1453. SHRI SHIVRAJ SINGH CHOUHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the loan burden on various States of the country is increasing enormously;

(b) if so, the details of external and internal debts as on March 2004, State-wise;

(c) the details of debt service in comparison to national average in regard to State Gross Domestic Product and Gross Domestic Product respectively; and

(d) the steps taken by the Government to reduce burden of loan on States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. Outstanding debt of the State Governments increased from Rs. 23,959 crores in 1981 to Rs. 778144 crores in 2004 (BE).

(b) The State-wise details of internal-debt is shown in column 3 of enclosed statement. States have no external debt.

(c) Debt service to GSDP ratio for each State is given in column 4 of the statement enclosed.

(d) Government of India formulated a Debt Swap Scheme which enables the State to pre-pay high cost Government of India loans of the State Government, bearing interest rate of 13% and above amounting to Rs. 1,14,000 crores as on 31.3.2002 with low coupon bearing Small Savings and Additional Open Market Borrowings. An amount of Rs. 75,273 crores has been swapped so far. This scheme has helped States to reduce their interest burden. The State-wise details of high cost debt swapped is shown in column 5 of the statement enclosed.

Government of India has also decided to enable the States to refinance their high cost debt under RIDF with the help of Additional Open Market Borrowings. Government of India is also operating a debt relief scheme on the recommendations of the Eleventh Finance Commission. Debt relief granted to States is shown in column 6 of the statement enclosed.

States have been encouraged to draw up their Medium Term Fiscal Reform Programme (MTFRP) for fiscal consolidation over Medium Term. Government of India *inter-alia*, have fixed annual borrowing limits of each State for their annual plans upto 2004-05.

#### Statement

##### *Loan Burden of States*

(Rs. in crores)

Sl.No.	States	Total Internal-Debt	Debt servicing as % of GSDP	Total Debt Swapped (Up to 01.07.2004)	Debt Relief under the award of EFC
1	2	3	4	5	6
1.	Andhra Pradesh	57574	5.4	4969.23	77.52
2.	Arunachal Pradesh	1118	8.8	142.45	1.72

1	2	3	4	5	6
3.	Assam	15043	7.3	1301.12	—
4.	Bihar*	49882	7.9	3126.53	—
5.	Chhattisgarh		3.5	920.26	—
6.	Goa	3449	5.5	362.49	—
7.	Gujarat	55318	4.4	7570.75	—
8.	Haryana	19712	4.2	2332.23	—
9.	Himachal Pradesh	13035	13.7	1233.72	—
10.	Jammu & Kashmir	11916	9.3	919.59	—
11.	Jharkhand		3.1	1330.98	—
12.	Karnataka	38091	3.7	3704.48	—
13.	Kerala	33708	4.4	2194.54	—
14.	Madhya Pradesh*	40888	2.9	2683.40	—
15.	Maharashtra	71759	2.7	8990.00	—
16.	Manipur	2463	18.5	137.54	2.47
17.	Meghalaya	1737	6.5	115.77	—
18.	Mizoram	1793	9.2	90.21	—
19.	Nagaland	2904	12.1	109.01	—
20.	Orissa	33756	8.7	1668.96	—
21.	Punjab	42057	6.4	4338.98	42.11
22.	Rajasthan	48714	6.7	3981.48	—
23.	Sikkim	908	12.4	54.61	—
24.	Tamil Nadu	44834	3.3	4542.55	7.89
25.	Tripura	3831	7.0	250.04	—
26.	Uttar Pradesh*	104079	5.3	8496.56	—
27.	Uttaranchal	—	6.6	1752.21	—
28.	West Bengal	79575	6.1	7953.06	—
Total		778144	(GDP) 4.00	75272.73	131.71

\*The States of Bihar, Madhya Pradesh and Uttar Pradesh include the liabilities of the newly formed States of Jharkhand, Chhattisgarh and Uttaranchal.

Source: Column 3 RBI-State Finance 2003-04.

*[English]***Gems and Jewellery Export**

1454. SHRI KASHIRAM RANA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that gems and jewellery Export Promotion Council expect around 10% export growth in the current fiscal year over the previous fiscal year;

(b) if so, the amount proposed to be earned out of the exports;

(c) the details of thrust markets; and

(d) the status of exports of cut and polished diamonds during the current fiscal year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) A target of 10% export growth was fixed for the Gem and Jewellery Export Promotion Council (GJEPC) in the gem and jewellery export sector during the year 2003-04. Against the target of US\$ 9992 million from the export of gem and jewellery, there has been achievement of US\$ 10545 million during the above period.

(c) Thrust markets of GJEPC for the export of gem and jewellery continues to be the USA, Hong Kong, Belgium, Israel & UAE. However, GJEPC always takes steps to explore new markets.

(d) As per the Directorate General of Commercial Intelligence and Statistics, Kolkata, the export figures of cut and polished diamond during the current financial year is not available.

**Unresolved Export Related Issues**

1455. SHRI NIKHIL KUMAR:  
SHRI ADHIR CHOWDHARY:

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

(a) whether there are several unresolved export related issues with the Ministry of Finance;

(b) if so, the details thereof;

(c) whether the Ministry of Commerce has taken up the issues with the Ministry of Finance;

(d) if so, whether due to delay in resolving the pending export related issues, the target of exports and further growth in exports have been affected; and

(e) if so, the concrete plans Government proposes to formulate to further boost exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) to (c) The process of consultation between the Ministries of Finance and Commerce on export related issues is a continuing exercise. As and when export related issues concerning Ministry of Finance arise, these are taken up by the DGFT/Ministry of Commerce with the Ministry of Finance.

(d) No, Sir.

(e) Does not arise.

**Crisis in Cashew Industry**

1456. SHRI CHENGARA SURENDRAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware of the serious crisis being faced by the traditional industry of Cashew in the country;

(b) if so, the details thereof; and

(c) whether the Government is propose to resume various assistance schemes that were in operation to assist these industries in the State?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) The cashew industry has been facing problems for the last few years due to a fall in international prices and also due to comparatively lower price offered by Vietnam in the international market.

(c) The Government is providing financial assistance through Cashew Export Promotion Council to Cashew exporters for Setting up/improving the facilities for Cashew Kernels in Value Added Form/Consumer Packs, Quality Up-gradation by process Improvement, Implementation of Internationally accepted Certification Scheme and Introduction of Flexi Pouch Vacuum Packing System on a continuing basis.

### Electronic Auction System

1457. SHRI KAILASH MEGHWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has launched electronic system recently;

(b) if so, the details thereof; and

(c) the extent to which corruption would be curbed by using the said system?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) An electronic auction system has been introduced for tea auctions.

(b) Electronic auction for tea has been launched in Coimbatore and in Guwahati under a new internet based India Tea Portal of the Tea Board. This is part of a scheme which covers other auction centres at Siliguri, Kolkata, Kochi and Coonoor. Besides, the Tea Board has licensed an auction centre at Coonoor run by M/s. Tea Serve, a cooperative society of producers. The Tea Board has also issued a licence for an electronic auction centre at Jalpaiguri.

(c) The new electronic auction system in tea is expected to bring about greater transparency in transactions as there is a provision to have the full bidding history of all teas offered for sale at the auctions. The system will itself generate the sale contracts and delivery orders, which will help in eliminating any possible evasion of sales tax. Further, information on each traded lot would be available to all the users of the system, including the regulatory body, so that informed decisions could be taken by each stakeholder.

### Mineral Exploration MNC

1458. SHRI PRABODH PANDA:  
SHRI P. RAJENDRAN:

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government has proposed to allow the participation of multi-national companies (MNCs) in the field of mineral exploration;

(b) whether any proposal from the MNCs has been received by the Government;

(c) if so, the details of the proposals;

(d) whether the Government has issued any valid permit to the MNCs for Reconnaissance Operations in the States;

(e) if so, the details thereof;

(f) whether the Government has any proposal to set up mineral separation plant at Chavara (Kollam); and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) to (e) Under Section 5(1) of the Mines and Minerals (Development and Regulation) Act, 1957, only an Indian national or a company registered in India can be granted a reconnaissance permit or prospecting licence or mining lease for exploration or mining of minerals. As such, under the existing scheme of the mining legislation, a foreign company is not allowed to undertake reconnaissance/prospecting/mining operations till they get themselves registered in India and obtain a local corporate identify. On the recommendations of State Governments, approvals have been given by the Central Government under Section 5(1) of the Mines and Minerals (Development and Regulation) Act, 1957 for grant of 165 reconnaissance permits in favour of Indian Companies many of which are the subsidiaries formed by foreign companies. The details are given in statement enclosed.

(f) and (g) As per information available with Indian Bureau of Mines, a subordinate office of this Ministry, there is no proposal to set up a new plant for processing beach sands at Chavara. However, there are two existing companies viz. M/s Kerala Minerals and Metals Ltd., a State Undertaking and Indian Rare Earths Ltd., a Central Government Undertaking which are operating their mineral beach sands separation plants at Chavara, Kollam district, Kerala. Department of Atomic Energy has informed that Indian Rare Earths Ltd., its public sector undertaking, has plans to expand the capacity of mining and mineral separation at Chavara at an estimated cost of about Rs. 50 crores.

**Statement**

S.No.	Name of the Company	No. of R.P.s approved by Central Government	States in which R.P.s approved by Central Government	No. of R.P.s in the State	Area granted under R.Ps (in sq. Kms)	Total area granted under R.Ps (in sq. Kms)
1	2	3	4	5	6	7
1.	M/s. De-Beers & subsidiary companies	24	Karnataka	5	7784.22	37891.22
			A.P.	8	9929	
			Chhattisgarh	5	8975	
			Orissa	5	9613	
			M.P.	1	1590	
2.	M/s Acc Rio Tinto Exploration Ltd.	24	Karnataka	6	9989.56	41084.25
			A.P.	4	9330	
			M.P.	4	9621.69	
			Chhattisgarh	6	7960	
			Orissa	4	4183	
3.	M/s Geo Mysore Services (India) Pvt. Ltd.	24	Karnataka	10	3278	15128
			A.P.	7	3425	
			Chhattisgarh	3	3270	
			M.P.	4	5155	
4.	M/s AML Mining India Pvt. Ltd.	7	A.P.	6	6514.11	6642.17
			Orissa	1	128.06	
5.	M/s Metmin Finance and Holding Pvt. Ltd.	7	Karnataka	2	1202.5	4568.372
			Rajasthan	4	2035.872	
			M.P.	1	1330	
6.	M/s Hutti Gold Mines Co. Ltd.	4	Karnataka	4	7629.02	7629.02
7.	M/s Hindustan Zinc Ltd.	4	Rajasthan	4	1845.3775	1845.3775
8.	M/s Exploration Enterprise India Pvt. Ltd. (new name of M/s Phelps Dodge Exploration India Pvt. Ltd.)	17	U.P.	2	1166.171	21093.853
			Rajasthan	9	7703.195	
			A.P.	4	6945	
			Jharkhand	1	1869.687	
			Orissa	1	3409.80	



1	2	3	4	5	6	7
9.	M/s Pasmenco Exploration Pvt. Ltd.	5	Rajasthan	5	9955.544	9955.544
10.	M/s Ramgad Minerals and Mining Pvt. Ltd.	1	Karnataka	1	1233.05	1233.05
11.	M/s National Mineral Development Corporation Ltd. (NMDC)	4	A.P.	1	2300	6305.82
			Karnataka	2	1995.82	
			M.P.	1	2010	
12.	M/s Lake Resources Holding India Pvt. Ltd.	3	Rajasthan	3	4500.195	4500.195
13.	M/s BHP Minerals India Pvt. Ltd.	18	Haryana	1	401	32766.371
			Madhya Pradesh	2	3156.64	
			Karnataka	2	3836.5	
			Orissa	4	8567.231	
			Andhra Pradesh	4	7112	
			Chhattisgarh	5	9693	
14.	M/s Anglo American Exploration (India) Pvt. Ltd.	12	Rajasthan	8	7204.95	15627.95
			Andhra Pradesh	3	8046	
			West Bengal	1	377	
15.	Shri B.K. Druva Rao, Dir (Indophil Resources Exploration Services (India) Pvt. Ltd.)	3	Karnataka	3	5496.68	5496.68
16.	M/s Minpro Corporation	2	Karnataka	2	316.25	316.25
17.	M/s B. Vijay Kumar Technical Services Pvt. Ltd.	1	Chhattisgarh	1	2400	2400
18.	M/s Mira Exploration Pvt. Ltd.	1	Chhattisgarh	1	481.25	481.25
19.	M/s Emperor Granite Pvt. Ltd.	2	Chhattisgarh	2	3000	3000
20.	M/s Krystal Stone Incorporation	1	Rajasthan	1	271.93	271.93
21.	M/s WSIL Mineral Sand India Pvt. Ltd.	1	Andhra Pradesh	1	1428	1428
Total		165				2,19,665.303

**Tea Price**

1459. SHRI P. KARUNAKARAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been decline in price of tea since 2000 in whole sale market;

(b) if so, the details thereon;

(c) retail price of tea during this period; and

(d) steps taken to prevent cartels and price fixers controlling action?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The prices of tea sold at Indian auctions have registered a decline since 200.

(b) and (c) Details of average auction prices of tea sold at Indian auctions and the average prices of tea in retail markets since 2000 are given below:

Year	Average prices of tea at Indian auctions (Rs. per kg)	Approximate average price of tea at retail market covering 5 major centres (Rs. per kg)
2000	61.71	110
2001	61.66	120
2002	55.99	120
2003	55.97	120

(d) Tea auctions which cover a substantial part of the wholesale tea trade operate under the provisions of Tea Marketing Control Order, 2003. Directives issued by the Tea Board, under the said Control Order, aim at ensuring greater transparency in the conduct of the sale transactions for fair price discovery.

#### Restriction in BPO Market

1460. SHRI RAYAPATI SAMBASIVA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has conveyed to US trade representative that restrictions being put up in BPO market, which has always been open do not augur well for resumption of WTO talks;

(b) whether it is the follow-up of January 12 letter to all 146 WTO member countries urging a quick resumption talks to meet the deadline for reaching a new deal at the end of the year 2004;

(c) if so, what are the other steps Government propose to take to safeguard interests of proposed amendment made by US Government; and

(d) to what extent India has got an assurance from US Government that it will in no case affect India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) Government of India has conveyed its concern over restrictions being imposed on the Business Process Outsourcing market by the United States of America to the US Trade Representative (USTR). This was conveyed in the context of discussions

to revive the talks at the WTO, which were affected due to the stalemate at the Cancun Ministerial Conference. Suggestions on the way forward were made by the USTR in his letter of January 11, 2004 addressed to all WTO member countries.

(c) and (d) Government is carefully monitoring the moves at the sub-federal level in the USA to introduce legislation to check outsourcing by government agencies. The issue is being taken up both through official and business channels. The US Government has, in the past, acknowledged that the proposed legislation amount to 'bad policy'.

[Translation]

#### Sick Tea Estates

1461. SHRI SUSHIL KUMAR MODI:  
SHRIMATI C.S. SUJATHA:  
SHRI KIRIP CHALIHA:  
SHRI SUNIL KHAN:

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

(a) whether large number of tea gardens in India have been closed/abandoned during last five years;

(b) if so, measures taken for their revival;

(c) total number of workers lost job, State-wise details;

(d) measures taken to relief the affected workers;

(e) whether Government has taken steps for reviving the ailing tea sectors; and

(f) if so, details thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) Some tea gardens in the States of West Bengal, Kerala, Assam and Tripura have been closed/abandoned during the last five years owing to lower price realisation, which has adversely affected the viability of the tea gardens. Government had appointed Expert Committees to make an in-depth study of the closed tea gardens in the States of West Bengal, Kerala, Assam & Tripura. These Expert Committees studied 36 gardens which were lying closed in 2002 (19 in West Bengal, 11 in Kerala and 3 each in Assam & Tripura). Based on their recommendations, Central Government and

the Tea Board have facilitated discussions between the managements of the tea gardens, which have been identified as potentially viable, and their bankers to work out revival packages.

(c) As per the available information, the total number of workers unemployed at present due to closure to the gardens is approximately 28,195. State-wise break up is given below:

Name of the State	Approximate number of workers unemployed at present
West Bengal	19,336
Kerala	6,648
Assam	1,661
Tripura	550
Total	28,195

(d) The Plantations Labour Act, 1951 provides for the welfare of plantation labour and regulates the conditions of work in plantations, including tea. This Act is administered by the State Governments. It specifies the various facilities to be provided to the workers. Government of India had taken up the matter regarding the problems being faced by the workers of the tea gardens with the concerned State Governments for intervention and providing necessary relief. Some State Governments like West Bengal and Kerala, where the number of closed tea gardens are more, have taken certain steps to provide relief to the affected plantation workers and their families. These include creation of employment opportunities through various schemes, extending health care, implementing nutrition programmes for children, distribution of foodgrains, augmenting drinking water facilities and distribution of cash to the most needy.

(e) and (f) Yes Sir. A number of steps have been taken by the Government to help the Indian tea industry. A Special Tea Term Loan (STTL) has been announced recently which envisages the restructuring/rephasing of outstanding term/working capital loans in the tea sector with repayment over 5 to 7 years and moratorium of 1 year. The STTL also provides for working capital upto Rs. 2 lakhs at a rate not exceeding 9% to small growers. The Government has issued orders regarding implementation of a Price Subsidy Scheme for small tea growers for a period of four months from February to

May 2004. Tea Board is also implementing a price sharing formula between small tea growers and manufacturers of made tea w.e.f. 1.4.2004. A special fund has been set up out of collections by way of additional duty of excise of Re. 1 per kg on tea for the development, modernisation and rehabilitation of tea plantation sector. Tea Board is implementing an IT based Information Dissemination Plan for the tea industry, including conversion of manual auctions into electronic auctions so as to improve the efficiency of the tea purchase systems and reduce transaction time and costs.

The Government of India has also set up a Price Stabilization Fund with a corpus of Rs. 500 crore for the benefit of tea, coffee, rubber and tobacco growers.

*[English]*

#### Programme for Computerisation

1462. SHRI DUSHYANT SINGH: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Ministry of Company Affairs has drawn up an ambitious programme for computerisation;

(b) if so, the total amount of investment earmarked under the computerisation programme;

(c) whether the Government proposes to engage private companies for computerisation; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes Sir. The Ministry of Company Affairs has drawn up a composite e-Governance and modernisation programme called 'DCA21'. The programme envisages e-filing of companies' documents through an interactive and paperless registration process facilitated by computerisation of all offices of the Registrars of Companies and Regional Directors in the country.

(b) An approximate amount of Rs. 350 crores has been provisionally agreed to be earmarked for the project, which is proposed for a horizon of 6 years.

(c) and (d) In order to tap the technological talent available within the country for the technology-intensive e-governance service programme and to provide better value for money and enhanced quality of service to the stakeholders, it has been planned to implement the project

in Public-private Partnership mode through Government-monitored contracts.

#### **Air India Subsidiary**

1463. DR. M. JAGANNATH:  
SHRI A.K. MOORTHY:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India proposes to set up a subsidiary airlines inspite of the fact that it is already running into losses; and

(b) if so, the reasons for burdening the organization with additional expenditure instead of improving the existing fleet?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Air India is planning to set up a Low Cost Airline (LCA) as a subsidiary called Air-India Express which would operate on "Low Fare No Frill" concept on most of its short-haul sectors. The airlines has made profit during the past three years.

(b) Does not arise.

*[Translation]*

#### **Geological Survey of India—Earthquake**

1464. SHRI RAMDAS BANDU ATHAWALE: Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government has conducted any study to ensure the protection of life and property in cities and rural areas of the country during the earthquake especially after the devastating earthquake in Gujarat;

(b) if so, the details thereof;

(c) the amount provided for Geological Survey of India;

(d) whether the Geological Survey of India has sought the assistance of the experts in this field from all over the world; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) and (b) Yes, Sir. Seismic microzonation of cities and urban agglomerations have been undertaken by Geological Survey of India. Seismic microzonation is subdivision of a region into zones that have relatively similar exposure to various earthquake-related effects. Accounting for such effects or site-response has become a tool of earthquake hazard reduction programme. The inputs from seismic microzonation maps can effectively be used for planning safe design or structures. GSI has intensified the task of microzonation after the devastating earthquake of Gujarat. Earthquakes cannot be prevented but threat to life and property in the event of earthquake can be minimized by taking planned mitigation measures.

Seismic microzonation of Jabalpur, Delhi, Dehradun, Guwahati, Ahmedabad, Vishakhapatnam, Shillong and Mumbai is in different stages of completion.

(c) A total of Rs. 9.00 crores has been provided to GSI for study of earthquake and protection of life & property specially after the Gujarat earthquake.

(d) and (e) As per the recommendations of the '71st Department Related Parliamentary Standing Committee on Industry' on Demands for Grants—Department of Mines, GSI has already approached several reputed foreign organizations/institutions like United States Geological Survey (USGS), Reston, USA, ITC, The Netherlands, Geological Survey of Japan (GSJ), Japan and GFZ Solid Earth Physics and Disaster Research, Potsdam, Germany to share the expertise on earthquake related studies and for collaborative work.

#### **Public Sector Banks in Rural/Urban Areas**

1465. SHRI RAJIV RANJAN SINGH 'LALAN':  
SHRI RAMJI LAL SUMAN:  
SHRI ANANTA NAYAK:  
SHRI AJIT JOGI:  
SHRI PARSURAM MAJHI:

Will the Minister of FINANCE be pleased to state:

(a) the number of public sector banks operating in the country in rural and urban areas, State-wise;

(b) whether the number of public sector banks in rural areas has been reduced in the last decade;

(c) if so, the reasons therefor;

(d) whether the Government has conducted an analysis of decrease in number of these bank;

(e) if so, the details thereof;

(f) the number of new bank branches proposed to be set up during the year 2004-2005; and

(g) the steps taken by the Government to increase banking activities in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As reported by RBI, the State-wise details of the number of

Public Sector Banks and their branches functioning in rural and urban areas, as on 31.03.2004, are given in the Statement enclosed.

(b) No, Sir.

(c) to (e) Do not arise.

(f) RBI has reported that as per its extant policy, it is left to the judgement of the individual public sector banks to assess the need for opening additional branches and as such, the bank has no information about new bank branches to be opened during 2004-2005.

(g) Does not arise.

### *Statement*

*Number of Public Sector Banks Operating in the Country in Rural and Urban Areas as on 31.03.2004*

Sl.No.	Name of State	Rural areas		Urban Areas	
		No. of PSBs operating	No. of Br. in rural areas	No. of PSBs operating	No. of Br. in urban areas
1	2	3	4	5	6
1.	Andhra Pradesh	18	1444	27	826
2.	Arunachal Pradesh	4	39	—	—
3.	Assam	13	465	19	144
4.	Bihar	12	1236	22	374
5.	Chhattisgarh	12	294	22	166
6.	Goa	14	146	—	—
7.	Gujarat	17	1187	24	424
8.	Haryana	17	442	26	418
9.	Himachal Pradesh	12	533	—	—
10.	Jammu & Kashmir	7	119	20	103
11.	Jharkhand	15	627	21	209
12.	Karnataka	18	1153	24	617
13.	Kerala	14	155	25	443
14.	Madhya Pradesh	17	1045	24	385
15.	Maharashtra	17	1644	27	737

1	2	3	4	5	6
16.	Manipur	6	20	10	19
17.	Meghalaya	7	84	14	30
18.	Mizoram	1	16	3	5
19.	Nagaland	3	33	—	—
20.	Orissa	15	838	24	282
21.	Punjab	14	944	23	514
22.	Rajasthan	15	903	25	404
23.	Sikkim	4	36	—	—
24.	Tamil Nadu	20	1287	26	705
25.	Tripura	4	49	13	26
26.	Uttar Pradesh	18	2374	27	1298
27.	Uttaranchal	12	353	22	122
28.	West Bengal	17	1520	24	572
Total		343	18986	492	8823

### Merger of Rural Banks

1466. SHRI PUNNU LAL MOHALE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to set up the Indian National Rural Bank by merging all the rural banks in NABARD in order to strengthen rural economy;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Several options for revamping of Regional Rural Banks (RRBs) have been suggested. These include, *inter-alia*, de-linking of RRBs from Sponsor Banks, amalgamation of RRBs at regional or State level, merger with Sponsor Banks, making RRBs subsidiaries of the Sponsor Banks, their consolidation into a National Rural Bank etc. Discussions in this regard have so far remained inconclusive. Government has decided that each sponsor bank will be held squarely accountable for the performance of RRBs under its control. RRBs that adopt

a new governance standard and that abide by the prudential regulations will qualify for receiving funds from the Government for restructuring.

[English]

### Loan to Farmers

1467. SHRI TUKARAM GANGADHAR GADAKH: Will the Minister of FINANCE be pleased to state:

(a) the amount of total loan given to farmers by Government/banks/cooperative agencies for farming during the last three years, State-wise;

(b) whether the farmers of some States have been found defaulters;

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

(d) the reasons for default; and

(e) the steps being taken by the Government to safeguard these agriculturists/farmers and check default?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The State-wise details of the Ground Level Credit Flow to Agriculture and allied activities by the financial institutions during the years 2000-01, 2001-02 and 2002-03 are given in the Statement enclosed.

(b) and (c) There have been reports of defaults of farm credit in all the States. However, the present data reporting system does not generate information on the number of defaulters and amount of default State-wise.

(d) There are several reasons for such default which include natural calamities, infructuous investments, unfavourable price situations, bad quality of inputs, pest attack, failure of monsoon, poor marketing infrastructure, unforeseen expenditure due to sickness, etc.

(e) Government has recently announced a debt relief package for providing various relief measures to the farmers in distress, farmers in arrears, small and marginal farmers and farmers who have heavy burden of debt availed from non-institutional sources like money lender, etc. The package also provides relief by way of rescheduling of loans in respect of farmers in distress and farmers in arrears. For small and marginal farmers, a one time settlement is also provided for. Reserve Bank of India (RBI), Indian Banks' Association (IBA) and National Bank for Agriculture and Rural Development (NABARD) have issued guidelines to commercial banks, Regional Rural Banks and Cooperative Banks for providing debt relief to farmers.

#### **Statement**

*Ground Level Flow of Credit to Agriculture by financial institutions during the years 2000-01, 2001-02 and 2002-03*

(Rs. lakhs)

Sl.No.	Name of State/UT	2000-01	2001-02	2002-03
1	2	3	4	5
1.	Andaman & Nicobar Islands	347	578	382
2.	Andhra Pradesh	612529	748287	754059
3.	Arunachal Pradesh	408	539	994
4.	Assam	5281	7318	10127
5.	Bihar	60491	70746	72260
6.	Chandigarh	8256	38769	17848
7.	Chhattisgarh	25257	28237	46133
8.	Dadra & Nagar Haveli	90	110	59
9.	Daman & Diu	45	33	24
10.	Goa	3566	2444	2124
11.	Gujarat	321916	371251	408741
12.	Haryana	370357	400908	463705
13.	Himachal Pradesh	18152	25658	31358
14.	Jammu & Kashmir	3636	4960	5746
15.	Jharkhand	7089	16101	20315

1	2	3	4	5
16.	Karnataka	366305	433752	466361
17.	Kerala	240688	260619	302961
18.	Lakshadweep	29	33	26
19.	Madhya Pradesh	189632	230071	290285
20.	Maharashtra	498216	592991	503275
21.	Manipur	134	142	405
22.	Meghalaya	538	642	552
23.	Mizoram	340	357	684
24.	Nagaland	539	540	540
25.	NCT of Delhi	109692	141581	182540
26.	Orissa	91173	96925	109688
27.	Pondicherry	4091	4073	5341
28.	Punjab	515071	611309	762380
29.	Rajasthan	210936	258347	281911
30.	Sikkim	380	368	325
31.	Tamil Nadu	503497	528076	626574
32.	Tripura	1703	1739	1759
33.	Uttar Pradesh	429947	560667	618123
34.	Uttaranchal	16580	27169	48416
35.	West Bengal	113568	144881	184244
36.	Others	19678	5729	472
37.	Private Sector Com. Banks	315231	425412	585255
38.	RIDF	197364	163182	149985
Total		6282742	6204544	6955977

#### Recommendation of Fifth Pay Commission

1468. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that Fifth Pay Commission had recommended increase in the death-cum-retirement gratuity proportionally in the case of Government servants completing more than 33 years service;

(b) if so, the details thereof and the reasons for not accepting that recommendation;

(c) whether the Government propose to accept that recommendation and implement the same; and

(d) if so, the details thereof?

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



- (b) Question does not arise.
- (c) Question does not arise.
- (d) Question does not arise.

#### **Rubber in WTO List as Agricultural Product**

1469. SHRIMATI C.S. SUJATHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has received any suggestion for including rubber as an agricultural product in the WTO list;

(b) if so, details thereof alongwith benefit of including rubber in the agricultural list;

(c) whether the Government has taken initiative to get rubber included in the agricultural product list;

(d) if so, the details thereof; and

(e) the results thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) Yes, Sir. The Government has been receiving representations from the State Government of Kerala, various Members of Parliament and Planters' Associations from time to time for including rubber under the scope of the Agreement on Agriculture (AoA) of the World Trade Organisation (WTO). Whether or not a product falls under the scope of the AoA, any renegotiation of tariff bindings on imports attract the provisions of Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994. India's domestic subsidies to agricultural products are well within the quantitative limitations, wherever applicable, and other entitlements including for low-income and resource-poor farmers, set out in the AoA. In respect of non-agricultural products also, India falls under the Annex VII list of developing countries under the Subsidies and Countervailing Measures Agreement (SCM) and is therefore not prohibited from extending subsidies contingent upon export performance or upon use of domestic over imported goods. However, in case of any adverse affect on the trade interests of any WTO Member, the affected Member can adopt countervailing measures against specific types of subsidies under the provisions of the SCM read with the AoA as relevant.

(c) to (e) .The Government has already filed its negotiating proposals with the WTO for including rubber

in the rationalization of product coverage in the AoA. The negotiations are scheduled to conclude by 1 January 2005.

#### **Audit of Private Banking Companies**

1470. SHRI PRABHUNATH SINGH; Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that 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 to the tune of Rs. 1,04,17.18 lakhs; and

(b) if so, the action taken/proposed to be taken to realize the tax amount from them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The C&AG in their Report No. 12A of 2002, laid before the Parliament on 15th March, 2002 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) 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 by the department or not. The CCIT/CSIT are already under instructions to immediately act on the audit objections raised by office of C&AG and to see that objections get settled at an early date. 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.

*[Translation]*

#### **Expansion of Services for Private Airlines**

1471. SHRI TUFANI SAROJ; Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether private Airlines are demanding the fixation of more seats for Nepal and Srilanka sectors;

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

(c) whether such demands have been made for other sectors within and outside and SAARC region; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

#### Opening of Haat in U.P.

1472. SHRI SANTOSH GANGWAR: Will the Minister of TEXTILES be pleased to state:

(a) the names of the cities in Uttar Pradesh where 'Haat' is proposed to be opened or the related process is pending and the details in this regard;

(b) whether the process of opening of 'Bareilly Haat' in Bareilly, Uttar Pradesh is also going on;

(c) if so, the details thereof alongwith the progress made in this regard;

(d) whether any suggestion has been received to develop Bareilly as 'Zari-Zardosi Nagar'; and

(e) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) Four Urban Haats have been approved to be set up at Lucknow, Agra, Kanpur and Varanasi in the State of Uttar Pradesh, which are in different stages of implementation.

(b) and (c) A proposal to set up an urban Haat at Bareilly has been received from Bareilly Development Authority, Bareilly at a cost of Rs. 327.75 lakhs. Recommendations of the proposal by the State Government of Uttar Pradesh has been received on 14.6.2004, which is being processed for consideration by the High Powered Committee set up as per the schematic guidelines for the purpose of approval of all Urban Haat cases.

(d) No, Sir.

(e) Does not arise.

*[English]*

#### White Paper on Finances of States

1473. SHRI VIRENDRA KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has a proposal to present a White Paper on the Finances of various States;

(b) if so, the steps taken in that regard; and

(c) the measures adopted to enforce fiscal discipline in every State?

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

(b) Does not arise.

(c) Fiscal discipline of the States is primarily the responsibility of the State Governments, for which they are accountable to their respective legislatures. Government of India has fixed borrowing caps in consultation with States to help States control excessive indebtedness. Additionally, a scheme for the State's Fiscal Reforms Facility (2000-01 to 2004-05) has been drawn up to encourage States to draw Medium Term Fiscal Reforms Programme (MTFRP) aimed at improving their financial position in the medium term. The scheme seeks to provide financial incentives to States for effecting reduction in their revenue deficits. Similarly, Accelerated Power Development and Reforms Programme provide financial incentive equal to 50% of actual loss reduction by States' electricity utilities.

#### Food Quality on AIA

1474. SHRI B. MAHTAB: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether complaints have been received regarding poor quality of food served by Air India and Indian Airlines during the last three years;

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

(c) the steps taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) The number of complaints received during the last three years are indicated below:

Year	Air India	Indian Airlines
2001	67	—
2002	36	36
2003	53	26
2004	—	17 (till June, 2004)

(c) Exhaustive control and monitoring mechanism is in place at Airline level for effective quality control of the meals. Caterers have been advised to take corrective action in all cases and in some cases have also been penalized which included withholding of part/full payment of the consignment to the caterer.

#### **Stabilisation Fund**

1475. SHRI RAVI PRAKASH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether the stock market brokers have been demanding setting up of a Market Stabilisation Fund (MSF) in order to counter problem of high volatility and low liquidity; and

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

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) A suggestion for such a fund has been made in a meeting.

(b) There is no decision on setting up of a Market Stabilisation Fund.

*[Translation]*

#### **Taxes Paid by Clubs**

1476. SHRI MANOJ KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the clubs like Park land club, Delhi State Bharat Scout and Guide Camping Ground, Nizamuddin being run in the country;

(b) if so, whether these clubs apprise the Government of their accounts at regular intervals;

(c) if so, whether the above said club has been regularly paying the taxes and entertainment tax to the Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The Park land Club is known as Aspire Inco Park land Club, 10, top Floor, Jangpura Road, Bhogal, New Delhi.

(b) The Delhi State Bharat Scout and Guide Camping Ground, Nizamuddin and Park land Club have not filed income tax returns till date.

(c) Since the club is not filing returns, the details of taxes paid are not known. Entertainment tax being a subject matter of State Government does not fall within the purview of the I.T. Department.

(d) Notice u/s 142(1) of the IT Act, 1961, issued to Delhi State Bharat Scout and Guide Camping Ground, Nizamuddin and Park land Club to find out the details of their incomes etc.

*[English]*

#### **Loss Incurring Routes of Indian Airlines**

1477. SHRI ASADUDDIN OWAISI:  
SHRI AJIT JOGI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of loss being incurred on the air-routes currently being operated by Indian Airlines;

(b) whether there is any proposal to allow private Airlines to operate on such air-routes;

(c) if so, the details thereof;

(d) if not, the reasons therefor;

(e) whether the Government is considering to allow private airlines to fly on new international routes; and

(f) if so, the details thereof including the impact of such permission on National Airlines?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) During 2003-04, Indian Airlines operated 76 scheduled services on domestic network, which on the whole, generated cash contribution i.e. surplus of revenue over direct operating cost of about Rs. 540 crores.

(b) to (d) No, Sir. Government has laid down route dispersal guidelines with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country including North-Eastern region. It is, however, upto the airlines to provide air services to specific places depending upon the traffic demand and commercial viability.

(e) and (f) It has been decided to permit private scheduled Indian carriers to operate to SAARC countries, subject to availability of traffic rights and provisions in the Air Services Agreements for multiple designation. This is unlikely to have any adverse impact on Indian Airlines/Air India as the operations of private airlines will be against the unutilized entitlements.

#### **Fraudulent Foreign Trade**

1478. SHRI GURUDAS KAMAT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether huge illegal foreign funds continue to flow into India through fraudulent foreign trade;

(b) if so, the details thereof;

(c) whether these funds are being utilized for terrorist activities;

(d) if so, the details thereof; and

(e) the steps taken to check the illegal flow of funds?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) No information is available on the flow of huge illegal foreign funds into India through fraudulent foreign trade.

(b) to (d) Does not apply in view of answer to (a) above.

(e) Whenever illegal foreign funds through Hawala are detected, these are investigated under the provision of the Foreign Exchange Management Act (FEMA), 1999 for suitable action as provided under the Act.

#### **WTO Talks**

1479. SHRI KIRIP CHALIHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government intend to expand G-20 and build linkage with other developing countries of the world;

(b) if so, the details thereof; and

(c) the steps proposed by the Government to adopt India specific approach in the forthcoming WTO talks specially on agriculture?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) to (c) Periodic meetings of the G-20 alliance on agriculture are held at official and Ministerial levels to formulate the strategy of the G-20 in the ongoing negotiations in the World Trade Organisation (WTO), including on outreach to other Members and to building convergence of views with other alliances in agriculture. As a result of these activities, certain Members of the WTO such as Indonesia, Tanzania and Zimbabwe have formally joined the G-20 since the Cancun Ministerial Conference was held in September 2003. On a number of aspects, alliances such as the Africa Group and the G-33 developing countries (of which also India is a Member), which strongly advocates the institution of special measures to safeguard food security and rural development needs in developing countries, have indicated a common approach and position in the agriculture negotiations with those of the G-20. The activities of the G-20 are coordinated by Brazil.

India has been making all efforts to ensure that trade-distorting domestic subsidies maintained largely by developed countries are substantially reduced and their export subsidies eliminated, and that the market access commitments by developing countries like India serve to safeguard their food and livelihood security concerns and rural development needs.

#### **SAARC—Free Trade Agreement**

1480. SHRI DINSHA PATEL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that SAARC countries have recently signed an agreement to allow free trade among the member countries within a view to eliminate trade barriers and to bring down the tariffs;

(b) if so, the details thereof;

(c) whether any time frame has been fixed to operationalise the free trade; and

(d) the extent to which India would protect its interest on sensitive items?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes Sir. The SAARC member countries have signed the Agreement on South Asian Free Trade Area during the 12th SAARC Summit held in Islamabad, Pakistan on 6th January, 2004.

(b) and (c) The Agreement provides for free trade in goods among SAARC member countries as per the specified Trade Liberalisation Programme. As per the provisions of the Agreement, the Agreement shall enter into force on 1st January, 2006 upon completion of formalities, including ratification by all Contracting States and issuance of a notification thereof by the SAARC Secretariat.

(d) As per the Agreement, each country will maintain its Sensitive List consisting of items on which no tariff concessions will be extended to protect the interest of the domestic stakeholders.

*[Translation]*

#### **Flight via Satna Airport**

1481. SHRI GANESH SINGH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to operate any flight via Satna Airport;

(b) if so, the details thereof;

(c) whether the Government proposes to undertake repair work of the Satna Airport; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

*[English]*

#### **Marine Export to EU**

1482. SHRI PRAKASHBAPU V. PATIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether European Union (EU) have a good and growing market for Indian marine products;

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

(c) whether the Government intend to intensify export of Indian marine products to EU during the current year;

(d) if so, the details of targets fixed; and

(e) whether Government propose to offer incentives to the exporters?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) As per export figures provided by the Marine Products Export Development Authority (MPEDA), the exports of marine products to the European Union during the last three years were as follows:

Year	Value (In Million US \$)
2001-02	241.01
2002-03	287.84
2003-04	300.25 (Provisional)

(c) Yes, Sir.

(d) Country-wise targets for export of marine products are not fixed. However, an overall target of US\$ 1300 million has been fixed for export of marine products from India during 2004-05.

(e) In order to increase the exports of marine products, Government have been taking several steps, which include schemes for extending financial assistance to the seafood processing industry; steps to upgrade processing facilities to meet international standards of hygiene and quality; expansion of aquaculture; imparting training to aquaculture farmers to adopt sound management practices to prevent outbreak of diseases; assistance to produce value-added products for export, marketing support, etc.

#### **Pending Proposals of Orissa**

1483. SHRI BRAJA KISHORE TRIPATHY: Will the Minister of FINANCE be pleased to state:

(a) the details of the projects/proposals received by the NABARD from Orissa during each of the last three years, till date;

(b) the details of funds allocated during the said period;

(c) the details of the proposals pending with NABARD as on date;

(d) the reasons for pendency; and

(e) the time by which the said proposals are likely to be cleared by NABARD?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) National Bank for Agriculture and Rural Development (NABARD) has reported that it had received a total number of 593 proposals for minor irrigation, medium irrigation, rural bridges and rural roads projects from the State Government of Orissa during the last three years. The year-wise details of the same are indicated below:

Year	No. of Projects
2001-02	148
2002-03	395
2003-04	50
<b>Total</b>	<b>593</b>

(b) The details of the amount sanctioned to Orissa during the last three years are given below:

Year	Amount Sanctioned (Rs. crore)
2001-02	153.25
2002-03	246.83
2003-04	122.85
<b>Total</b>	<b>522.93</b>

(c) to (e) Sixty nine proposals of State Government of Orissa received in March 2004, for rural road and bridge projects worth Rs. 104.39 crore are pending with NABARD for sanction. These would be considered for sanction in the next meeting of the Project Sanctioning Committee of Rural Industrial Development Fund (RIDF).

#### **Budget Deficit of Centre/State Governments**

1484. SHRI MILIND DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether budget deficits of the Central and State Governments are increasing year after year;

(b) if so, whether grant of free sops *viz* free water and power to farmers or profligate spending before the elections and pre-elections concessions have become the order of the day in periodically elected democracies which tend to destroy the economy of the country; and

(c) if so, whether the Government propose to look into these fiscal malaise and restrict the deficit and extravagant spendings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The fiscal deficits of the Centre, States and Centre and States combined as a proportion of Gross Domestic Product (GDP) are as under: Revised and Budget estimates for 2003-04 indicate that the increasing trend in deficits may have been arrested.

#### *Fiscal deficit as a proportion of GDP*

Year	Centre	States	Combined
1	2	3	4
2000-01	5.7 Actuals	4.3 Actuals	9.6 Actuals

1	2	3	4
2001-02	6.2 Actuals	4.2 Actuals	9.9 Actuals
2002-03	5.9 Actuals	4.7 (RE)	10.1 (RE)
2003-04	4.8 (RE)	4.2 (BE)	9.4 (BE)
2004-05	4.4 (BE)	N.A.	N.A.

(b) and (c) High fiscal deficits are mainly on account of relatively higher levels of expenditure on salaries, unfunded pensions, mounting interest payments, improperly targeted subsidies and deterioration in the tax-GDP ratio of the Central Government. The Fiscal Responsibility and Budget Management Act, 2003 mandates the Central Government to reduce the fiscal deficit and revenue deficit so as to eliminate revenue deficit by March 31, 2008. The Union Budget for 2004-05 envisages reduction of fiscal deficit to 4.4 per cent of GDP from 4.8 per cent in 2003-04 (RE). The revenue deficit is estimated to decline to 2.5 per cent of GDP in 2004-05 from 3.6 per cent of GDP in 2003-04 (RE).

#### **Permission to States for Market Borrowings**

1485. SHRI SHIVAJI ADHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Maharashtra and other State Governments especially drought hit ones have sent proposals this year for permission to resort to market borrowings to help them to repay the Central Government under the Debt-swap Scheme;

(b) if so, the details of such proposals received from different State Governments; and

(c) the Central Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) No, Sir. Central Government, on its own, has allocated additional market borrowings of Rs. 24000 crores to be raised during current year under debt swap scheme as per details given in the enclosed statement.

<b>Statement</b>		
<b>Permission to States for Market Borrowings</b>		
<b>(Rs. in crore)</b>		
SI.No.	States	AOMB Allocated under debt swap scheme during 2004-05
1	2	3
1.	Andhra Pradesh	1476.45
2.	Arunachal Pradesh	0.00
3.	Assam	412.51
4.	Bihar	1067.32
5.	Chhattisgarh	266.65
6.	Goa	0.00
7.	Gujarat	2048.50
8.	Haryana	677.49
9.	Himachal Pradesh	435.03
10.	Jammu and Kashmir	320.33
11.	Jharkhand	361.30
12.	Karnataka	1087.70
13.	Kerala	615.13
14.	Madhya Pradesh	735.03
15.	Maharashtra	3305.96
16.	Manipur	0.00
17.	Meghalaya	0.00
18.	Mizoram	0.00
19.	Nagaland	0.00
20.	Orissa	691.35
21.	Punjab	1280.14
22.	Rajasthan	1238.23
23.	Sikkim	0.00
24.	Tamil Nadu	1231.37
25.	Tripura	0.00
26.	Uttaranchal	0.00

1	2	3
27.	Uttar Pradesh	3448.13
28.	West Bengal	3301.38
	Total	24000.00

*[Translation]*

#### Extension of Runway

1486. SHRI SURESH CHANDEL: Will the Minister of CIVIL AVIATION be pleased to refer to reply given to Unstarred Question No. 2766 on March 10, 2003 and state:

(a) the progress made ever since regarding extending the length of runway for the operation of A.T.R.-72 type plane;

(b) whether the Government of Himachal Pradesh was requested to divert the course of river and shift river training work to some other place and whether the demand for land for the extension of runway was made to the State Government; and

(c) if so, latest position in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) On the specific request of the State Government of Himachal Pradesh, the work of conducting a feasibility study for the extension of runway at Kullu Airport in Himachal Pradesh for ATR-72 operations has been awarded to Indian Institute of Technology (IIT), Roorkee in April, 2004 and their report is expected by end of September, 2004.

*[English]*

#### Valuation of Initial Public Offerings

1487. SHRI VIJOY KRISHNA:  
SHRI S.D. MANDLIK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to check the valuation of initial public offerings (IPO);

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

(c) the other steps taken/being taken by the Government to enhance the functioning of market intermediaries and improve the infrastructure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. As per the existent policy, the Government/SEBI is not involved in the pricing of issues of fixing premium on shares in issues. These are decided by the market. However, SEBI has stipulated detailed guidelines for disclosure and investor protection—SEBI (Disclosure & Investor Protection) Guidelines, 2000.

(c) SEBI has constituted a high level task force named Securities Market Infrastructure Leveraging Expert Task Force (SMILE) to review the infrastructure of the intermediaries and to carry out a thorough "health check" on the securities market infrastructure encompassing all segments of the market. SEBI also reviews the regulations for intermediaries from time to time so as to improve their overall functioning.

*[Translation]*

#### SEZ and EOUs

1488. SHRI NITISH KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the several units are engaged in the export and import under the Special Economic Zones and the Export Oriented Zones;

(b) if so, the total number of such units in the said zones separately in April 2004;

(c) the total capital invested in these units alongwith the capital borrowed; and

(d) the total value of the production and the export made by these units during 2003-2004?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) Yes, Sir.

(b) As on April 2004, 1814 Export Oriented Units (EOUs) and 805 units in Special Economic Zones (SEZs) were functioning in the country.

(c) and (d) Total capital invested in these units upto 31.03.2004 was about Rs. 19,770 Crores and the total exports made by these units during the period 2003-04 was about Rs. 40,320 Crores.



[English]

### Low Growth Tax Ratio in Comparison of GDP

1489. SHRI B. VINOD KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has expressed concern over the low growth tax ratio in comparison to the Gross Domestic Product and called for reversal of this trend;

(b) if so, the details thereof and the action taken by the Government in this regard;

(c) whether the experts have suggested that taxation system should be transparent and acceptable so that people pay voluntarily;

(d) if so, the steps being proposed by the Government to simplify the taxation system so that all the people can easily pay taxes to the Government;

(e) whether the Government has also decided to take firm action against those who are not paying the tax arrears; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Union Tax Revenue as a percentage of gross domestic product (at current market prices) since 1999-2000 are as under:

1999-2000	8.9%
2000-2001	9.0%
2001-2002	8.2%
2002-2003	8.8%
2003-2004	9.2%*

(\*Provisional)

The Government has initiated a number of measures to increase Tax-GDP ratio by undertaking major tax reforms such as expanding the tax base, increasing tax compliance and making the tax administration more efficient.

(c) and (d) Rationalisation and simplification of Tax Laws is an ongoing process. The objective is to make such changes in tax laws, which are taxpayer-friendly, which include modernising the tax administration through widespread computerisation, facility of electronic-filing of returns, adoption of simplified returns, rationalisation of tax structure and simplification of procedures.

(e) and (f) Yes, Sir. The Government has decided to launch a special, multi-pronged drive to realise recoverable arrears, both in direct and indirect taxes.

### Production of Coal

1490. SHRI AJOY CHAKRABORTY:  
SHRI Y.G. MAHAJAN:  
SHRI SUBHASH SURESHCHANDRA  
DESHMUKH:

Will the Minister of COAL AND MINES be pleased to state:

(a) the quantum of coal produced in the country during each of the last three years;

(b) whether the production of coal in the country is much higher than other minerals;

(c) if so, the details thereof;

(d) the value of coal in terms of rupees produced during the year 2002-2003;

(e) whether Government is aware that productivity of coal in the country is very less in comparison to other coal producing countries;

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

(g) the steps proposed to be taken to increase the productivity in the coal sector?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) Quantum of coal produced in the country during the last three years is given below:

(in million tonnes)

Company	2001-02	2002-03	2003-04 (Provisional)
CIL	279.646	290.688	306.386
SCCL	30.811	33.236	33.852
Others	17.330	17.348	20.930
All India	327.787	341.272	361.168

(b) and (c) Yes, Sir. The details are given as under:

(in million tonnes)

Mineral	1999-2000	2000-2001	2001-2002
Coal	304.1	313.7	327.8
Lignite	22.5	24.2	24.8
Limestone	128.8	127.2	129.8
Iron ore	78.0	81.0	83.0
Petroleum (crude)	31.9	32.4	32.0
Bauxite	7.1	8.0	8.6
Dolomite	2.8	3.1	3.1

(d) Value of coal produced during 2002-03 is Rs. 241873.883 million.

(e) and (f) Yes, Sir. The details are given as under:

(in 1000/man-year)

Country	2001-02
India	0.708
Australia	12.9
U.S.A.	12.8
South Africa	4.74
Poland	0.729

The productivity of Indian coal mines do not compare favourably with those in other countries. This is because of the fact that large scale mechanisation in underground mines is not feasible due to adverse geo-mining conditions and developed pillars in large number of old mines.

Again the method of computation of productivity, as followed in Indian coal mines, in general is quite different

from the same followed internationally. In India, even persons engaged in services like hospital, water supply, sanitation, workshops, watch and ward etc., are included on calculating manshifts employed. In foreign countries, only persons engaged directly in production of coal are considered. Many service jobs are done through contractors and those are therefore excluded.

(g) The steps being taken to increase the productivity in the coal sector are:

- (1) Open new mines both opencast and underground.
- (2) Introduction of more powered support Longwall method in suitable underground mines.
- (3) Introduction of new technologies like continuous miner, short longwall etc.
- (4) Deployment of SDL/LHDs in more U/G mines.
- (5) Introduction of higher capacity HEMM, surface miner in OC mines.
- (6) Optimise utilization of HEMM/other equipment and also to increase system capacity.
- (7) Through removal of bottlenecks in land acquisition and project clearance for speedier implementation.

Apart from above the following measures to improve the productivity of coal miner are being taken:

- (a) Improved working condition in mines through better lighting, ventilation and communication.
- (b) Improved manpower planning including redeployment as well as rationalization of manpower.
- (c) Introduction of "All man all job concept" wherever feasible.
- (d) Improvement in industrial relations through participative management at all levels.

#### Decline in Savings of Public Provident Fund

1491. SHRI S.D. MANDLIK: Will the Minister of FINANCE be pleased to state:

(a) whether savings of the Public Provident Fund has shown decline as compared to other savings during 2002-03 and 2003-04;

(b) if so, the details thereof;

(c) whether the Government has ascertained the reasons for such decline; and

(d) if so, the steps taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Collections under Public Provident Fund (PPF) have increased from rupees 14795 crore during 2002-03 to rupees 15490 crore during 2003-04 (Provisional). Collections under all the small savings schemes, including PPF, have grown from rupees 118586 crore during 2002-03 to rupees 149551 crore during 2003-04 (Provisional).

The Government offers a basket of small savings schemes to cater to the needs of different segments of the society/small savers who are free to subscribe to the scheme(s) of their choice according to their requirements.

Suitable steps to inculcate the habit of thrift and savings amongst the common masses and to promote all the small savings schemes, are taken by the Central and State Governments from time to time.

*[Translation]*

#### **Growth Rate of Gross Domestic Product**

1492. SHRI SHIVRAJ SINGH CHOUHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the average growth rate of Gross Domestic Product has declined during the year 2002-2003 and 2003-2004 in comparison to last three years preceding 2002-2003;

(b) whether the decrease in industrial growth is the main cause of the decline in growth rate of GDP; and

(c) the main factors responsible for fall in industrial growth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir, The average annual growth rate of overall GDP at factor cost at constant prices has increased from 5.4 per cent during 1999-2000 to 2001-02 to 6.1 per cent during 2002-03 to 2003-04.

(b) No, Sir. The average annual growth rate of the industry sector at factor cost at constant prices has increased from 4.9 per cent during 1999-2000 to 2001-02 to 6.6 per cent during 2002-03 to 2003-04.

(c) Does not arise.

*[English]*

#### **Dumping of Farm Goods**

1493. SHRI CHENGARA SURENDRAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware of the difficulties being faced by the farmers due to the "dumping" of farm goods in the State as a result of the Indo-Sri Lanka trade agreement;

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

(c) if so, the details of the goods being dumped in the States as per the said trade agreement and the steps being taken to prevent such dumping and save the farmers from distress?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) to (c) No application as required under the anti-dumping rules has been filed by any source before the Directorate General of Anti-Dumping and Allied Duties (DGAD) alleging dumping of farm goods from Sri Lanka and injury to the domestic producers.

However, a representation has been received from the Karnataka Desiccated Coconut Manufacturers Association regarding bulk import of desiccated Coconut from Sri Lanka, which has adversely affected domestic prices. The Association *inter-alia* requested for imposition of anti-dumping duty. A copy of the prescribed application proforma alongwith necessary guidelines for filing a documented petition for an anti-dumping investigation has been sent to the Association. The United Planters Association of Southern India (UPASI) has also requested the Government for reviewing the Indo-Sri Lanka Free Trade Agreement for reduction in the duty concession offered to Sri Lanka on pepper. The UPASI has alleged a surge in import of pepper from Sri Lanka under the Indo-Sri Lanka Free Trade Agreement with a resultant adverse effect on domestic prices.

**Target of Core Banking Service Branches**

1494. SHRI KAILASH MEGHWAL: Will the Minister of FINANCE be pleased to state:

(a) whether State Bank of India has failed to achieve target for core Banking Service Branches during the year 2003-04;

(b) if so, the reasons therefor; and

(c) the steps taken by State Bank of India/Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. State Bank of India has not failed to achieve the target for Core Banking. The target was to operationalise the first pilot branch in August 2003 and take up limited implementation thereafter. The first pilot branch became live in Core Banking Solution on 29th August, 2003. Under the limited implementation in the first phase, as against a target of 40 branches, the bank has implemented the Core Banking solution in 42 branches as on 31st March 2004.

(b) and (c) Do not arise in view of (a) above.

**Accounting System**

1495. SHRI PRABODH PANDA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Government proposes to review the existing accounting system of the Government to bring transparency;

(b) if so, the details thereof;

(c) whether the Government has decided to replace the present method of cash-based system of accounting with the double-entry accrual system of accounting to usher a more transparent and authentic methods of accounting; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) It is the objective of the Government to ensure transparency in its accounting system. The monthly and annual accounts of the Government of India are being

placed in the public domain. The Fiscal Responsibility and Budget Management Act, 2003 and Rules framed thereunder also provide for measures to be taken for ensuring greater transparency in fiscal operations. The Act and the Rules have come into effect from July 5, 2004.

(c) No, Sir.

(d) Does not arise.

**Trade with SAARC Countries**

1496. SHRI RAYAPATI SAMBASIVA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's trade with countries of the South Asian Association for Regional Cooperation has risen by 19% in dollar terms during 2002-2003 and 21% in rupee terms;

(b) whether the PHDCCI has termed as a good turning point for India to consolidate trade with SAARC countries and has urged to take it to a higher orbit of growth;

(c) if so, what efforts being made to improve the trade with these countries; and

(d) the extent to which it is expected to increase during 2004-2005?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) Some of the important steps taken by the Government to give a boost to India's trade with SAARC countries are—India-Sri Lanka Free Trade Agreement, 2000, Exchange of tariff concessions with other SAARC member countries under the Fourth Round of SAARC Preferential Trading Arrangement (SAPTA), and signing of the Agreement on South Asian Free Trade Area during the 12th SAARC Summit held in Islamabad on 6th January 2004. Besides the above, steps are also taken to boost trade with the SAARC countries through bilateral discussions and other trade promotion measures.

### Farm Lending Target

1497. SHRI DUSHYANT SINGH: Will the Minister of FINANCE be pleased to state:

(a) the farm lending target set by the Ministry of Finance for the year 2004-05;

(b) whether the commercial banks have been issued guidelines to extend credit to the farmers and farm sector accordingly; and

(c) if not, the steps taken by the Government to ensure that the bank credit is available to the farmers without any difficulty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The announcement on Agricultural Credit made by the Government on 18th June, 2004 has set a target of Rs. 1,04,500 crore for Ground Level Credit Flow to Agriculture for the year 2004-05, as indicated below:

Commercial Banks	—	Rs. 57,000 crore.
Regional Rural Banks	—	Rs. 8,500 crore
Cooperative Banks	—	Rs. 39,000 crore

(b) and (c) Reserve Bank of India and Indian Banks' Association have issued detailed operational guidelines on 24th June 2004 and 7th July, 2004 respectively to commercial banks for providing relief measures to farmers and to increase the credit flow to agriculture, as per the announcement.

*[Translation]*

### Complaints Against Custom Officials

1498. SHRI RAMDAS BANDU ATHAWALE: Will the Minister of FINANCE be pleased to state:

(a) the details of the complaints received especially from foreign diplomats against the custom officers posted at domestic/international airports in New Delhi during the last three years, till date;

(b) whether the Government are aware that these officers harass especially the foreign citizens/diplomats; and

(c) if so, the action taken against guilty officers with the corrective steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No customs officers are posted at the domestic airport in Delhi. However, at the international airport, two complaints against the officers of customs were received during the period 2001-2002 to 2003-2004.

The first complaint was made by Mr. Paul Steinmetz, Ambassador of Luxembourg to India in April, 2003 regarding the long queue at the airport and the improper behaviour of a lady Supervisor at the time of departure. On detailed enquiry, it was ascertained that long queues are not seen before the Customs counters since customs checks of passengers in the departure hall had been discontinued. It was also ascertained that no lady officer of Customs was posted in the Departure hall on the said date. It was later clarified to the Ambassador that the complaint did not relate to Customs.

The second complaint was lodged by the spouse of the First Counsellor of the European Commission at the Police Station, I.G.I. Airport, in June 2003, regarding examination of her baggage and personal search. It has been ascertained that her baggage was kept aside by airlines for further checks by Customs. The passenger had crossed the customs counter without presenting the boarding pass to Customs, and was therefore recalled to have her baggage checked in her presence, as is the practice. However, when it was clarified that she was the spouse of a diplomat, she was allowed to proceed without any checks. No further specific complaint was lodged by her regarding any harassment or checks by Customs.

(b) Enquiry conducted by Customs have revealed that the said two complaints were not made specifically against Customs officers and hence, no harassment of foreign citizens/diplomats can be attributed to Customs. The diplomats or their family members or any person enjoying diplomatic status are not subjected to check by Customs.

(c) Not applicable in view of (a) and (b) above.

### Multinational Banks

1499. SHRI TUKARAM GANGADHAR GADAKH: Will the Minister of FINANCE be pleased to state:

(a) the total number of multinational banks functioning in the country;

(b) whether these banks invest their profits in India or divert out of India;

(c) if so, the amount of profit earned by these banks during the last one year and the percentage of profit invested in India;

(d) whether business of nationalised banks has decreased because of their presence in the country;

(e) if so, the details thereof; and

(f) the steps being taken by the Government to safeguard nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (f) The information is being collected and will be laid on the Table of the House to the extent available.

#### Collection of Central Excise Duty

1500. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that actual collection of Central Excise duty of the Budget estimates has been falling year after year and the Government continued to make optimistic projections at the time of presenting the annual Budgets;

(b) if so, the reasons for less collection of Central Excise duty than projected in the annual budget of the last three years;

(c) whether the actual collection in the year 2001-02 fell short of the budget estimate by Rs. 9414 crore or 11.5 per cent; and

(d) if so, the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The actual collection, budget estimate and percentage achievement of budget estimate for last three years are given below:

(Rs. Crore)			
Year	Budget estimate (BE)	Excise duty collected	%age of BE
2001-02	81720	72555	88.78
2002-03	91433	82310	90.02
2003-04 (Prov.)	96791	90907	93.92

Thus, percentage achievement of budget estimate has increased from 88.78% in 2001-02 to 93.92% in 2003-04. The budget estimates are made after making certain assumptions with regard to industrial growth, inflation, GDP growth, etc. which are considered to be realistic at time of making the estimates.

(b) Budget Estimates for a financial year are prepared on the basis of growth of actual revenue collection up to the month of November during the preceding financial year, projected manufacturing growth and inflation for the next financial year and the additional resource mobilisation if any, proposed in the budget for the next financial year. Difference between the BE and Actuals occurs if any one of more of the assumptions made at the stage of preparation of BE are not actually realised. The changes made in the excise duty structure during the year after presentation of the Finance Bill also affects the revenue collections.

(c) The shortfall in actual collection from budget estimate in 2001-02 was Rs. 9165 crore or 11.2%.

(d) Actual collection of excise revenue vis-a-vis the Budget Estimates depends upon various factors like manufacturing growth, price inflation, etc. The estimates are based upon certain assumptions, which if not achieved would result in not achieving the estimates. One of the major factors for the actual revenue not matching the budget estimate was that the manufacturing growth and average price inflation had declined to only 2.9% and 3.6% respectively in 2001-02. Besides, raising of the turnover limit for full excise exemption for SSI units from Rs. 50 lakh to Rs. One crore in 2000-01 had also reduced the tax base substantially.

#### Theft of Security Papers

1501. SHRI PRABHUNATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that glaring discrepancy has taken place in the siphoning off security paper in large quantity some where in the supply chain to Telgi's gang;

(b) if so, whether the matter has been enquired into and if so, the details thereof;

(c) whether the scam has brought to light the malpractices plaguing the Government's procurement mechanism; and

(d) if so, the action proposed to be taken by the Government to streamline its procurement mechanism?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. There are no reports of siphoning off security paper in the supply chain of Telgi's operation so far.

There have been some instances of theft reported by Central Stamp Depot, Nashik.

(c) and (d) There are no malpractices plaguing the Government procurement practice. However, in the light of the scam, besides strict adherence to the procedures laid down in the Financial Rules of the Government, all safeguards prescribed by Security agencies from time to time are being followed.

*[Translation]*

#### **SBI Scheme for NRI**

1502. SHRI TUFANI SAROJ: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India has discontinued the schemes launched for Non-Resident Indians;

(b) if so, the details of such schemes;

(c) the reasons for their discontinuation; and

(d) the total funds mobilized under these schemes as on date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) State Bank of India (SBI) had launched 'Pravasi Samriddhi Scheme' on 24th September, 2003. The scheme was operative till 05.12.2003 to coincide with the redemption of Resurgent India Bonds (RIBs) with a view to give NRI clientele a wider choice for investment of their redemption proceeds. Only this Scheme was discontinued on 05.12.2003 as the redemption exercise was over by that time and no significant inflows were expected after this date.

(d) SBI mobilized USD 64 million under this scheme.

*[English]*

#### **Fifth Pay Commission**

1503. SHRI S.P.Y. REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Fifth Pay Commission recommended that the commuted portion of pension should be restored after twelve years from the actual date of commutation instead of fifteen years as at present;

(b) if so, whether the Government has accepted and implemented this recommendation; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) No Sir.

(c) This recommendation was considered during the course of negotiations between the Group of Ministers and the Staff Side Members of the Standing Committee, National Council (JCM) and it was agreed that the restoration will only be after 15 years.

#### **Indo-Japan Economic Co-operation**

1504. SHRI VIRENDRA KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has a proposal to expand Indo-Japan Economic Co-operation;

(b) if so, the details of the proposals pending with the Government in this regard; and

(c) the steps taken to implement such proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Consequent upon lifting of economic sanctions by Japan in October 2001, economic cooperation between India and Japan has expanded. The Government of Japan and the Government of India, through mutual consultations, have identified economic infrastructure, environmental protection and basic human needs like health, education, water and sanitation as the areas for possible development assistance from Japan. Official Development Assistance (ODA) loan of yen 125 billion (approximately Rs. 5250 crores) was pledged by Japan to India in financial year 2003-04.

Government of India has posed 23 project proposals to Government of Japan under ODA loan package for 2004-05. After due diligence, Government of Japan will pledge development assistance for the projects selected by them for funding.

**Privatisation of Coal Companies**

1505. SHRI B. MAHTAB:  
SHRI M. SREENIVASULU REDDY:

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government has any proposal to privatise the coal companies;

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

(c) the details of profit and losses of Mahanadi Coal Fields during each of the last three years;

(d) the steps taken to make Mahanadi Coal Fields more profitable;

(e) Government has any proposal to bifurcate the Singareni Coal Fields into several independent projects such as Ramgundam, Manvguru etc.; and

(f) if so, the steps taken by the Government for its effective implementation?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) No, Sir.

(b) Question does not arise in view of answer given to part (a) of the question.

(c) The accounts of MCL for the year 2003-04 are under audit. The profit and loss (before tax and dividend) for MCL for the previous three years are given below:

(Rs. in crores)

Year	2002-03	2001-02	2000-01
Profit before tax and dividend	882.31	719.60	641.35

(d) Steps have been taken to further improve the production and productivity as well as to reduce the controllable cost like other Stores, Petroleum-oil-Lubricants (POL), Power etc. New technology has been introduced for mining of coal through surface miner for producing more coal.

(e) No, Sir.

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

[*Translation*]

**Dam Under North Coal Project Zone**

1506. SHRI MANOJ KUMAR: Will the Minister of COAL AND MINES be pleased to state:

(a) whether any delay is being caused in completion of dam under North Coal Project Zone in Plamu district;

(b) if so, the details thereof; and

(c) the measures taken by the Government for completion of dam expeditiously?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) Central Coalfields Limited concerned with the coal projects in Palamau district is not constructing any dam under the North Coal Project Zone in the district.

(b) and (c) Do not arise in view of reply at (a) above.

**WTO**

1507. SHRI PRAKASHBAPU V. PATIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether US Trade Representation has recently urged the member countries of WTO to resume International Trade Talks;

(b) if so, the details thereof; and

(c) the reaction of the Government thereupon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) to (c) In his letter dated 11th January 2004, addressed to the Trade Ministers of WTO Member countries, Mr. Robert B. Zoellick, United States Trade Representative, gave his assessment of the state of play of the on-going WTO negotiations under the Doha Work Programme which were affected due to the stalemate at the Cancun Ministerial Conference and made some suggestions for way forward in these negotiations. He suggested that WTO Members should focus further work on the core market access issues, namely agriculture, non-agricultural products and services. In addressing these market access issues, special and differential treatment provisions for developing countries should be incorporated. On agriculture, he pointed out that the Doha Work



Programme can be successful only if an agreement on elimination of export subsidies by a certain date could be reached. The US Trade Representative also proposed that the WTO Members could agree to a framework on negotiations by the mid-year 2004 with a Ministerial Conference planned for the year-end.

India is receptive to the idea of a framework agreement by July 2004 as being proposed, as it could be useful in tracking movements in the on-going negotiations, provided, however, that it will not compromise India's national interests. The framework agreement should satisfy three basic criteria, namely, conformity with the Doha Ministerial mandate; these must be clear and unambiguous; and must not constrain possible trade-offs in future negotiations. The framework should cover not only market access issues but also provide a roadmap for resolution of outstanding implementation issues relating to the existing WTO agreements and the special and differential treatment issues on which there has been little progress since the adoption of the Doha Work Programme.

*(English)*

#### Textile Mills in Orissa

1508. SHRI BRAJA KISHORE TRIPATHY:  
SHRI M. SREENIVASULU REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) the number of Textiles mills both in public/private sector functioning in Orissa as on date;

(b) the number of workers enrolled in each of such mills;

(c) whether the Government propose to set up some more mills in this State;

(d) if so, the details thereof;

(e) if not, the reasons therefor;

(f) whether Government is aware that Cotton Corporation of India is not entering into the markets for purchase of the Agriculture Commodities when the prices fall less than the supportive prices; and

(g) if so, the details thereof and steps taken by the Government in this regard?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) There are eight Cotton/Man-made Fibre Textile Mills (Non SSI) functioning in the State of Orissa. The six Mills are under cooperative and one Mill each is under public and private sector management respectively.

(b) The number of workers enrolled in each of the eight Mills is as under:

Sl.No.	Name of the Non SSI-Cotton/Man-made Fibre Textile Mills	Workers on roll
1.	Orissa Cotton Mills	396
2.	Sree Copinath Weavers Co-op Spg. Mills	483
3.	Kalinga Weavers Co-op Spg. Mills	1194
4.	Jaganath Weavers Co-op Spg. Mills	849
5.	Ashoka Synthetics Ltd. (Gangapur Weavers Co-op Spg.)	417
6.	Sri Parvathy Weaving Co-op	15
7.	Maabanti Weavers Co-op	15
8.	Manikeswari Powerloom Weavers Socy.	15

(c) to (e) The Government does not propose to set up more mills in Orissa for the time being.

(f) The Cotton Corporation of India Ltd. (CCI) is mandated to undertake support price operations in Kapas (seed cotton) whenever the market price of Kapas falls below the Minimum Support Price (MSP) announced by

the Government. During the current cotton year 2003-2004 (October-September), the market price of Kapas is well above the MSP and support price operation is not required.

(g) Does not arise.

*[Translation]***Recovery of Non-Performing Assets**

1509. SHRI SURESH CHANDEL:  
SHRI NIKHIL KUMAR:  
SHRI ADHIR CHOWDHARY:  
SHRI VIRENDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) the total amount of non-performing assets (NPAs) of the nationalised bank in the country as on date, bank-wise;

(b) whether the Government has asked all the nationalised banks to recover NPAs in a time bound period;

(c) if so, the total NPAs recovered by each of the nationalised banks during the last three years as on date, year-wise;

(d) whether Debts Recovery Tribunal has given any guidelines to banks to recover NPAs;

(e) if so, the details thereof and the targeted date by which all the NPAs are likely to be recovered by nationalised banks;

(f) whether Reserve Bank of India has announced any revised NPA norms for crop loan; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) The bank-wise details of gross non-performing assets (NPAs) of public sector banks as on 31st March 2004 and bank-wise recoveries made by these banks including the amounts written off for the last three years is enclosed as statement.

(b) No, Sir.

(d) and (e) No, Sir. The Debt Recovery Tribunals (DRTs) have neither issued any guidelines for NPA recovery nor set any target for recovery. DRTs adjudicate recovery cases registered with them by following quasi-judicial procedure laid down under the DRT Act.

(f) and (g) Yes, Sir. Reserve Bank of India has announced revised NPA norms for direct agricultural advances w.e.f. 30th September, 2004 which are as under:

- (1) A loan granted for short duration crops will be treated as an NPA, if the instalment of the principal or interest thereon remains unpaid for two crop seasons beyond the due date.
- (2) A loan granted for long duration crops will be treated as an NPA, if the instalment of the principal or interest thereon remains unpaid for one crop seasons beyond the due date.

**Statement***Bank-wise Details of NPAs and Recoveries made (Including Write offs) by Public Sector Banks*

(Rupees in Crores)

Name of the Bank	NPAs		Recoveries	
	(31.3.2004)	(31.3.2002)	(31.3.2003)	(31.3.2004)
1	2	3	4	5
State Bank of India	11837	3415	4559	6668
State Bank of Bikaner & Jaipur	484	228	218	172
State Bank of Hyderabad	691	273	415	425
State Bank of Indore	266	123	166	142

1	2	3	4	5
State Bank of Mysore	515	143	170	242
State Bank of Patiala	504	157	239	260
State Bank of Saurashtra	200	98	233	176
State Bank of Travancore	662	309	235	225
<b>Total</b>	<b>15159</b>	<b>4746</b>	<b>6236</b>	<b>8312</b>
Allahabad Bank	1418	280	350	571
Andhra Bank	615	168	155	180
Bank of Baroda	3799	836	731	1039
Bank of India	3451	941	1067	1144
Bank of Maharashtra	954	186	212	216
Canara Bank	3115	596	782	865
Central Bank of India	3092	543	635	831
Corporation Bank	722	85	143	107
Dena Bank	1484	259	549	673
Indian Bank	1166	1035	561	1039
Indian Overseas Bank	1547	356	360	526
Oriental Bank of Commerce	1214	388	235	436
Punjab National Bank	4670	531	500	706
Punjab & Sind Bank	1204	91	181	160
Syndicate Bank	1586	179	171	266
Union Bank of India	2347	357	339	716
UCO Bank	1450	564	373	357
United Bank of India	764	263	294	340
Vijaya Bank	390	177	182	246
<b>Total</b>	<b>34990</b>	<b>7835</b>	<b>7823</b>	<b>10418</b>
<b>Grand Total</b>	<b>50149</b>	<b>12581</b>	<b>14059</b>	<b>18730</b>

*[English]***Decrease in Production from Mines**

1510. SHRI VIJOY KRISHNA: Will the Minister of COAL AND MINES be pleased to state:

(a) whether the production of coal and other minerals from the underground and open cast mines have been declining during the last three years; and

(b) if so, the reasons therefor and the steps taken by the Government to increase the production of coal and other minerals?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) Production of coal in open cast mine is increasing continuously but there is a decline in production of coal from underground mines, in the overall production mix while the production targets are being met. Production of other minerals have shown overall increase during the last three years.

(b) Reasons for decline in underground production in the coal mines are as under:

- (i) With time existing underground mines are becoming more extensive and more difficult.
- (ii) Easy workable coal seams at shallow depth have been exhausted.
- (iii) In many mines working seams are overlain by caved goaves of worked out seams filled with water which restricts the production.
- (iv) Old mining technology has to be continued in number of mines as the nature of existing workings are not amenable to mechanisation.

The following steps have been taken to increase production from underground coal mines:

- (i) Study has been made for underground mines of CIL for possible scope of mechanisation.
- (ii) Suitable locales are being identified for mechanisation with mass production technology with continuous mines and Longwall powered support.

(iii) All new mines are being planned with mechanisation with infrastructure.

(iv) Manual loaders will be replaced by mechanised loaders like Side Discharge Loaders (SDL)/Load Haul Dumpers (LHDs) as far as practicable.

*[Translation]***Yarn Used In Handloom**

1511. SHRI NITISH KUMAR: Will the Minister of TEXTILES be pleased to state:

(a) whether a particular type of yarn is used in handloom industry which is being produced in the country itself;

(b) if so, the average annual requirement of such yarn for the handloom industry as per the assessment made by the Government; and

(c) the steps taken by the Government to increase the production of such yarn and to ensure easy availability of this yarn to the handloom industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) The yarn packed in hank form is the main raw material used in the handloom industry, of which about 90% is estimated to be cotton yarn and remaining blended and non cotton yarn. 425 million kilograms of yarn packed in hank form was delivered in the domestic market in 2003-04.

(c) With the objective of providing the handloom weavers with adequate quantity of yarn in the hank form at reasonable prices and on an assured basis, Government of India has promulgated the Hank Yarn Packing Notification since 1974. The Hank Yarn Packing Notification 2003 prescribes that every producer of yarn who packs yarn for civil consumption shall pack yarn in hank form in each quarterly period commencing from April—June, 2000 and in every subsequent quarterly period, in proportion of not less than forty percent (40%) of total yarn packed by him for civil consumption, provided that in regard to yarn containing cotton including cotton waste to the extent of 90% or more by weight, not less than eighty percent of the yarn required to be packed in hank form shall be of counts 40s and below. The

Government is also providing support through the Technology Upgradation Fund for the modernization of the various sectors of the textile industry including spinning.

*[English]*

#### **Renewal of Mining lease by Coal Companies**

1512. SHRI AJOY CHAKRABORTY: Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government is aware that the nationalised coal companies like Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL) and the Eastern Coalfields Limited (ECL) are involved in controversy over the mining lease renewal process with the mining department;

(b) if so, the details thereof; and

(c) the steps being taken to resolve the controversy?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) to (c) Coal mines were acquired under two Nationalisation Acts viz., Coking Coal Mines (Nationalisation) Act, 1972 and Coal Mines (Nationalisation) Act, 1973 and were subsequently vested in the coal companies under the provisions of the said Acts. Thus Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) became the deemed lessees for the nationalised coal mines for 30 years. The 30 years period has already elapsed in case of BCCL mines. In case of mines with ECL and CCL this period would elapse in 2005. The mining leases are due for renewal.

These coal companies are not in a position to comply fully with the procedural formalities laid down in the Mineral Concession Rules, 1960 for renewal of mining leases on account of non-availability of relevant documents of lease, surface rights, consent of land owners, lack of updated records on account of reorganization of mines, disputed dues etc. The Department of Coal has taken up the matter with the concerned State Governments for early resolution.

#### **Price Index**

1513. SHRI SHIVAJI ADHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) the details of wholesale price index rate of essential commodities and consumer price index during the first quarter of current financial year;

(b) the point to point weekly rate of inflation prevailing during the said period;

(c) reasons for continuous rise in price index; and

(d) the steps being taken by the Government to check the increase in the prices of essential commodities and to contain the rate of inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Point to point annual rates of inflation in terms of Wholesale Price Index (base: 1993-94) for each week during the first quarter of the current financial year for all commodities and essential commodities are given below:

#### *Annual Inflation Rate (%)*

Week Ending (2004)	All Comm.	Essential* Comm.
3-Apr.	4.51	5.30
10-Apr.	4.57	4.42
17-Apr.	4.68	4.39
24-Apr.	4.32	4.07
1-May	4.60	4.68
8-May	4.20	4.45
15-May	4.67	4.79
22-May	5.02	5.20
29-May	5.03	5.01
5-Jun	5.55	5.05
12-Jun	5.89	4.95
19-Jun	5.87	4.58
26-Jun	6.09	4.72

\*Essential commodities include: Rice, Wheat, Gram, Arhar, Potatoes, Onion, Tea, Sugar, Rape/Mustard oil, Groundnut oil, Salt, Vanaspati, Jowar, Bajra, Moong, Masur, Urad, Milk, Fish-Inland, Mutton, Chillies (Dry), Atta, Gur, Coconut oil, Coking coal, Kerosene, Long cloth, Dhoties, Sarees & Voils, Laundry soap, Safety matches, which have a total weight of 17.53 per cent in the WPI.

Consumer price index for industrial workers (base-1982) and the inflation rate based on CPI (IW) upto May 2004 is given below:

Month (2004)	Index CPI	Annual inflation Rate (%)
April	504	2.2
May	508	2.8

(c) The increase in the price index during the first quarter of the current financial year was mainly caused by the rise in the price of fruits and vegetables (which is essentially seasonal in nature), basic metal products and the increase in the prices of petrol, diesel, LPG and coal with effect from 15th June 2004.

(d) Government's anti-inflationary policies include strict fiscal and monetary discipline, effective management of supply-demand through liberal imports of essential commodities and strengthening of public distribution system for foodgrains.

#### **Recruitment of Cabin Crew**

1514. SHRI CHENGARA SURENDRAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India has a plan under consideration for outsourcing the process of recruiting Cabin Crew to a professional agency;

(b) if so, the details thereof; and

(c) the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) and (c) Do not arise.

#### **FDI through Green Field Route**

1515. SHRI KAILASH MEGHWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to generate FDI through green field route;

(b) if so, the details thereof;

(c) whether some sectors propose to re-visiting;

(d) if so, the details thereof, Sector-wise; and

(e) the reasons for re-visiting?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Government has put in place a liberal and transparent Foreign Direct Investment (FDI) policy and most sectors have been placed under the automatic route except for a small negative list. FDI upto 100% is permitted on the automatic route for most activities/sectors except for a few sectors where caps have been prescribed.

In the Budget speech for 2004-05, Finance Minister has announced that the National Common Minimum Programme declares that FDI will continue to be encouraged and actively sought, particularly in areas of infrastructure, high technology and exports. It is proposed in the Budget to raise the sectoral cap for FDI in telecommunication from 49 percent to 74 percent; in civil aviation from 40 percent to 49 percent; and in insurance from 26 percent to 49 percent.

#### **India China Bilateral Trade**

1516. SHRI RAYAPATI SAMBASIVA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India China bilateral trade has touched an all time high of \$ 7.598 billion in 2003, by 53.6% over the previous year;

(b) whether India's export to China rose sharply by 86.9% and the country's imports from China increased by a modest 25.1% in 2003;

(c) if so, what are the steps Government propose to improve further trade with China; and

(d) the extent to which these efforts would be helpful in improving the trade between two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOAN): (a) and (b) India-China trade data for April-February 2003-04, compared to the corresponding period of 2002-03 is as follows:

(US\$ Million)			
	2002-03 (Apr-Feb)	2003-04 (Apr-Feb)	%age growth
Export	1693.46	2496.81	47.44%
Import	2527.17	3611.16	42.89%
Total	4220.63	6107.97	44.71%

(Source: DGCI&amp;S)

(c) and (d) Steps being taken, on an on-going basis, for increasing India-China trade include participation in trade fairs/exhibitions, exchange of delegations at both governmental and business levels, etc. These steps have helped in improving the trade between the two countries and are expected to yield positive results in future too.

#### Import and Export of Non-Atomic Minerals

1517. SHRI DUSHYANT SINGH: Will the Minister of COAL AND MINES be pleased to state:

(a) the annual import and export of non fuel and non-atomic minerals from the country during the last three years, year-wise:

(b) whether the Government proposes to increase the export of these minerals; and

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

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) As per information received from Indian Bureau of Mines (IBM), a subordinate office under administrative control of Department of Mines, the value of mineral export and import excluding non-fuel and non-atomic minerals during the year 2000-01, 2001-02 and 2002-03 are as under:

*Value of Exports and Imports of ores & minerals during the year 2000-01, 2001-02 and 2002-03*

(Value in Rs. Crores)

Year	Export	Import
2000-01	34240	25390
2001-02	34842	25851
2002-03	46273	33496

(b) and (c) Department of Commerce has reported that in an endeavour to accelerate the export of minerals, following steps have been initiated:

(i) 'Granite' has been identified and declared as a 'thrust area' and necessary steps initiated for hassle-free export of granite in consultation with the Department of Mines, Ministry of Finance and the State Governments.

(ii) The Minerals and Metals Trading Corporation Limited (MMTC), the designated State Trading Enterprise for the export of High Grade Iron Ore, have since renewed Long-Term Agreements with Japanese and South Korean steel mills and have entered into similar Long-Term Agreements with Chinese steel mills.

(iii) Private exporters who own mines have been allowed to export high-grade iron ore to bring in healthy competition when surplus to domestic demand is available.

(iv) The Department of Commerce provides Market Development Assistance (MDA) for all products for participation in overseas trade fairs/exhibition and overseas publicity.

[Translation]

#### Representations from States

1518. SHRI RAMDAS BANDU ATHAWALE: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have received any representation from the State Governments regarding reduction and moratorium of dues of the Union Government;

(b) if so, the details about the issues mentioned in the representation; and

(c) the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Yes, Sir. State Governments in fiscal stress have been requesting this Ministry for deferment/reschedulement/writing off/moratorium of their repayments of Central loans liability from time to time.

Central Government, as a policy, generally does not accept any such request. Recommendations made by Eleventh Finance Commission in respect of specific State were accepted and implemented by Government of India.

*[English]*

**Procurement of Photocopies and Stencil Paper by DGS&D**

1519. SHRI PRABHUNATH SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that photocopies and stencil paper are reserved for procurement from small scale units but DGS&D have been procuring them from big companies without issuing rate contracts;

(b) if so, what are the details of other items that have been reserved exclusively for purchase from SSIs but are being purchased/procured from large scale units;

(c) whether allegations have been made for awarding rate contracts on the basis of prices quoted by a cartel of cable manufacturers and whether some of the suppliers who were awarded rate contracts by DGS&D are supplying similar cables to NDMC for wiring up VIP areas at price which are 30% to 35% lower than the rates quoted to DGS&D;

(d) if so, were the allegations enquired into and if so, with what results; and

(e) what are the other items which are being sold by rate contract holders at lower price than DGS&D rate?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): (a) and (b) The list notified by DC (SSI) provides reservation for purchase from SSI for 'Paper Conversion products, paper Bags, envelopes, Ice-cream cups, paper cup and saucer and paper plates'. This list does not specifically include Photocopier paper and Stencil paper.

However, the office of DCSSI gave a ruling about inclusion of Photocopier Paper for exclusive purchase from SSI units vide their letter dated 24.01.03. Since then, DGS&D have, concluded R/Cs for photocopier paper with SSI units only.

As regards Stencil paper, the office of DCSSI vide their letter dated 28.2.2002 conveyed that the Stencil

paper is not covered in the list of items reserved for exclusive purchase from SSI units. DGS&D are concluding R/Cs for stencil paper accordingly.

DGS&D is not concluding Rate Contracts with units other than SSI units in respect of items reserved exclusively for purchase from SSI units.

(c) to (e) Rate contracts in DGS&D are being concluded as per prescribed procedure. Whenever cartel formation is noted, appropriate corrective measures are taken while finalizing the Rate Contracts.

All DGS&D R/Cs have a fall clause which entitles DGS&D to enforce lower rate in case such R/C holders have sold or even offered to sell at prices lower than DGS&D R/C prices. Fall Clause provision was invoked in respect of DGS&D R/C holding firms who had quoted lower rates to NDMC.

The Fall Clause in DGS&D R/C has a built in price safety mechanism and is invoked to meet such eventualities. Further, contractual and administrative actions are taken in respect of firms on DGS&D Rate Contract, who do not report sale at lower rates.

**Backlog of Civil Cases**

1520. SHRI VIRENDRA KUMAR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether there is increase in the backlog of civil cases in various courts of the country;

(b) if so, the reasons therefor;

(c) the High Court-wise details thereof; and

(d) the steps taken to expedite the disposal of such cases?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI K. VENKATAPATHY): (a) Yes, Sir.

(b) There are many reasons for increase in the backlog of civil cases in various courts. Some of these reasons include inadequacy of judge strength, non-filling up of vacancies of judges, Lawyers' strike and frequent adjournment of cases.

(c) The High Court-wise details of pending cases are shown in the Statement enclosed.



(d) The Government has been periodically monitoring the pendency position in various courts. The steps taken for speedy disposal of pending cases, include timely filling the vacancies of judges, increasing the judge strength, grouping of cases involving common questions of law, constitution of specialized benches, organizing Lok Adalats at regular intervals, encouraging alternative modes of dispute resolution like negotiation, mediation and arbitration and setting up of special tribunals like Central Administrative Tribunals, State Administrative Tribunals, Income Tax Appellate Tribunals, Family Courts, Labour Courts etc.

**Statement**

Sl.No.	High Court	Pending civil cases	As on
1.	Allahabad	801193	31.3.094
2.	Andhra Pradesh	161340	31.3.04
3.	Bombay	278281	30.9.03
4.	Calcutta	205750	31.3.04
5.	Delhi	57945	31.3.04
6.	Gauhati	49125	31.5.04
7.	Gujarat	117854	31.12.03
8.	Himachal Pradesh	17165	31.3.04
9.	Jammu & Kashmir	42609	31.3.04
10.	Karnataka	110832	31.3.04
11.	Kerala	108718	31.3.04
12.	Madhya Pradesh	137379	31.3.04
13.	Madras	233772	31.3.04
14.	Orissa	86329	1.7.04
15.	Patna	61151	31.12.03
16.	Punjab & Haryana	217818	31.3.04
17.	Rajasthan	131426	31.3.04
18.	Sikkim	43	31.3.04
19.	Uttaranchal	30075	1.6.04
20.	Jharkhand	11463	31.3.04
21.	Chhattisgarh	34695	31.3.04
<b>Total</b>		<b>2894963</b>	

*[Translation]*

**Proposal for Coal Mining Works in Bhandaria**

1521. SHRI MANOJ KUMAR: Will the Minister of COAL AND MINES be pleased to state:

(a) whether there is any proposal for coal mining works in Bhandaria (Vinda Vihar) under the Palamu Commissionary and Lohada in the Pahan Block of the Jharkhand State;

(b) if so, the details and time schedule thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a) and (b) There is no proposal for coal mining in Bhandaria under the Palamau commissionary. Lohada in Pahan block of the Jharkhand State could not be located. However, there is a place Lohanda in Lohari geological block in Daltonganj coalfield, which is near Patan. Lohari block is a non-Coal India Limited block, which has been identified as a captive block.

(c) Bhandaria under the Palamau commissionary is located in remote isolated forest areas. Regional exploration has revealed that the seams occurring in this place are thin and of inferior quality where systematic and scientific mining is not possible.

*[English]*

**Export of Marine Products**

1522. SHRI PRAKASHBAPU V. PATIL:  
SHRI P. RAJENDRAN:

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

(a) the details of export of marine products during the last 5 years and the amount of foreign exchange earned during the period particularly in Kerala;

(b) whether in many countries Indian marine products have been banned as these were found to have been unhygienic;

(c) if so, the details thereof;

(d) whether Government have been exercising any check on the quality/standard of products exported; and

(e) remedial actions taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) As per export figures provided by the Marine Products Export Development Authority (MPEDA), the exports of marine products from India, including Kerala, during the last 5 years and foreign exchange earned were as under:

Year	Value (In Million US \$)
1999-2000	1189.09
2000-2001	1416.32
2001-2002	1253.35
2002-2003	1424.90
2003-2004	1211.86 (Provisional)

State-wise exports of marine products are not maintained.

(b) and (c) Only Saudi Arabia has banned import of fresh marine products from India on the ground of cholera, being present in India.

(d) Yes, Sir.

(e) Government have been taking several steps, which includes laying down the essential requirements for hygienic handling of seafood at all stages of production, storage and transport to ensure effective compliance of quality standards; prescribing the maximum permissible level of chemicals and heavy metals; monitoring by the Marine Products Export Development Authority and the Export Inspection Council of India of the processing units to ensure that required standards are followed; schemes for extending financial assistance to the seafood processing industry to upgrade processing facilities to meet international standards of hygiene and quality; imparting training to aquaculture farmers to adopt sound management practices to prevent outbreak of diseases.

[*Translation*]

#### Outstanding Income Tax Against Film Personalities

1523. SHRI SURESH CHANDEL: Will the Minister of FINANCE be pleased to state:

(a) the amount of Income Tax due individually on various noted film actors/actresses of the country during last financial year, till date;

(b) the efforts being made by the Government to recover the income tax from them; and

(c) the incentives offered by the Government to ensure timely payment of income tax by the people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Income Tax Department does not centrally maintain separate details of outstanding taxes in respect of categories such as "noted film actors/actresses".

(b) Recovery of Income Tax is being effected through machinery as provided under Chapter XVII and Second Schedule of the Income Tax Act, 1961. The measures include issuance of statutory notice u/s 220(2), charging of interest and levy of penalty for non payment of dues, attachment of bank accounts of the defaulter and amounts owed by debtors to such a defaulter, attachment and sale of movable/immovable properties of the defaulter, arrest of the defaulter, appointing a receiver for the management of the defaulter's movable/immovable properties etc.

(c) No specific incentives are provided under the Income Tax Act for timely payment of taxes. However, interest charged for defaults/delay in payment of advance tax, contemplated u/s 234 B&C and interest charged u/s 220(2) of the Income Tax Act is not levied if taxes are paid in time. Penalty leviable u/s 221 (1) when tax is in default can also be avoided by paying taxes in time.

[*English*]

#### Indian Trade Promotion Organisation

1524. SHRI VIJOY KRISHNA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indian Trade Promotion Organisation Board has cleared any plan for the expansion of exhibition space;

(b) if so, the salient features of the plan; and

(c) the estimated cost of the project and from where the said amount the Government is going to arrange for the project?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) No Sir.

(b) and (c) Do not arise.

#### **Currency Note Printing Presses**

1525. SHRI SHIVAJI ADHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) the printing capacity of the Currency Note Printing Presses working in the country at present and the currency notes of different denomination being printed at present; and

(b) the number and value of mutilated currency notes being exchanged by the RBI every year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The printing capacity of the Currency Printing Presses in the country is about 11,600 million pieces per annum, on a single shift basis. At present, currency notes in the denominations of Rs. 5/-, Rs. 10, Rs. 50/-, Rs. 100/-, Rs. 500/- and Rs. 1000/- are being printed by these Presses.

(b) The number of value of mutilated notes exchanged by the RBI during the last two years is as under:

Year	No. of pieces (in million)	Value of notes (Rs. crores)
2002-03	31.8	75.88
2003-04	28.7	71.22

#### **Small Savings**

1526. SHRI KAILASH MEGHWAL:  
SHRI SANAT KUMAR MANDAL:

Will the Minister of FINANCE be pleased to state:

(a) whether small savings has increased sharply in the country during 2003-2004 as compared to the last year;

(b) if so, the details thereof;

(c) whether the Government proposes to increase any incentives to boost further small savings in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The small savings collections during 2003-04 (Provisional) were 27 per cent higher than the collections during 2002-03.

(c) and (d) The small savings schemes already enjoy a number of incentives like zero risk, attractive returns, income tax concessions, easy accessibility, liquidity, etc. which has contributed to the boost in the small savings collections. Further, a new savings scheme for senior citizens, offering an interest rate of nine per cent per annum has been announced in the Budget Speech 2004-05.

*[Translation]*

#### **Demand and Supply of Coal**

1527. SHRI RAMDAS BANDU ATHAWALE: Will the Minister of COAL AND MINES be pleased to state:

(a) the subsidiary-wise details of the production and supply of coal made by Coal India Limited alongwith other companies including Neyveli Lignite Corporation during the last three years, till date, year-wise;

(b) the year-wise/State-wise including Jharkhand, production and sale of coal alongwith its value for the aforesaid period;

(c) the State-wise average annual demand of coal in domestic and industrial sector;

(d) whether the exports and imports of the coal have increased during the last three years;

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

(f) the year-wise foreign exchange earned during the said period?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYAN RAO): (a)

Subsidiary-wise details of production and supply of coal made by Coal India Limited (CIL) alongwith other companies including Neyveli Lignite Corporation is placed in the Statement-I enclosed.

(b) Year-wise, State-wise production and sale of coal alongwith its value is placed in the Statement-II enclosed.

(c) Demand of coal is assessed sector-wise and not state-wise. All India coal demand for the year 2004-05 is projected as 404.19 million tonnes.

(d) and (e) Export of coal has decreased during the last three years while import of coal has remained more or less constant. The details of export and import of coal during the last three years is as under:

(Quantity in Million Tonne)

Year	Export	Import
2001-02	1.903	20.548
2002-03	1.517	23.260
2003-04 (Prov.)	1.460	21.500

Import of coal is under Open General Licence (OGL) of the import policy of the Government and consumers are free to import coal as per their requirement.

(f) The value of coal exported by CIL to Nepal has been received in Indian currency. No foreign exchange has been earned out of exported coal during the above mentioned period.

**Statement I**

Company	Production (in million tonnes)				Supply/Oftake (in million tonnes)			
	2001-02	2002-03	2003-04(P)	Apr'04 to May'04 (P)	2001-02	2002-03	2003-04(P)	Apr'04 to May'04 (P)
1	2	3	4	5	6	7	8	9
ECL	28.552	27.178	28.001	4.012	27.804	26.754	26.913	4.672
BCCL	25.552	24.153	22.701	3.599	24.696	21.776	23.354	4.151
CCL	33.806	36.975	37.336	4.479	33.064	36.537	36.320	5.219
NCL	42.462	45.101	47.032	7.159	42.684	44.428	46.482	7.776
WCL	37.009	37.815	39.526	6.505	38.027	38.111	39.192	6.617
SECL	64.12	66.604	71.008	12.154	64.860	68.267	70.876	12.602
MCL	47.805	52.229	60.049	10.351	49.030	51.360	59.347	10.842
NEC	0.64	0.633	0.733	0.102	0.620	0.640	0.870	0.146
CIL	279.646	290.688	306.386	48.361	280.785	287.873	303.354	52.025
SCCL	30.811	33.236	33.852	5.514	31.043	33.367	33.830	5.557
JKML	0.035	0.025	0.02	0.004	0.026	0.024	0.031	]
JSMDC	0.558	0.493	0.444	0.106	0.560	0.498	0.444	
DVC	0.335	0.171	0.381	0.066	0.325	0.145	0.401	
IISCO	1.14	0.82	0.77	0.191	1.133	0.864	0.765	

1	2	3	4	5	6	7	8	9
PUB	312.525	325.433	341.853	54.242	313.872	322.771	338.825	3.133*
BECML	2.911	3.085	3.769	0.668	2.913	3.093	3.761	
ICML	—	0.317	1.495	0.409	—	0.309	1.432	
JSPL	1.549	2.116	2.466	0.472	1.549	2.111	2.423	
MEG	5.149	4.406	5.439	—	5.149	4.406	5.439	
TISCO	5.653	5.913	6.146	1.022	5.658	5.918	6.139	
PVT	15.262	15.839	19.315	2.571	15.269	15.837	19.149	
Total Coal	327.787	341.272	361.168	56.813	329.141	338.608	358.019	60.715
NLCL	18.369	18.624	20.556	3.509	18.071	18.609	21.116	3.639

Note: \*Other than CIL & SCCL.

**Statement II**

States	Production (in million tonnes)			Sale/Despatches (in million tonnes)			Value (in million Rs.)	
	2001-02	2002-03	2003-04(P)	2001-02	2002-03	2003-04(P)	2001-02	2002-03
Andhra Pradesh	30.811	33.236	33.852	31.043	33.367	33.830	29425.3	31375.399
Assam	0.640	0.633	0.733	0.620	0.640	0.870	837.8	873.899
Chhattisgarh	53.621	56.758	61.504	54.826	58.835	60.993	28688.0	35523.901
Jammu & Kashmir	0.035	0.025	0.020	0.026	0.024	0.031	16.0	15.400
Jharkhand	76.813	78.828	79.549	75.402	75.840	78.963	41807.4	54447.084
Madhya Pradesh	44.156	45.736	49.825	41.746	44.990	49.872	31704.8	31418.602
Maharashtra	30.830	31.359	32.912	31.789	31.779	32.581	22854.4	24847.561
Meghalaya	5.149	4.406	5.439	5.149	4.406	5.439	3218.1	6082.779
Orissa	47.805	52.229	60.049	49.030	51.360	59.347	19091.6	20307.862
Uttar Pradesh	16.533	17.783	15.791	18.759	17.313	15.527	14261.3	13387.000
West Bengal	21.394	20.479	21.494	20.751	20.054	20.566	24574.9	23594.396
Total Coal	327.787	341.272	361.168	329.141	338.608	358.019	216479.6	241873.883

Note: Since the accounts of Coal India Limited for 2003-04 are under Audit, the coal sale value for the said period is not available.

*[English]***Raising Bank's Lending**

1528. SHRI DUSHYANT SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has raised the bank's lending for single borrowers;

(b) if so, the details thereof; and

(c) the action taken by the banks thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Reserve Bank of India (RBI) has reported that in the light of the liberalized access of the borrowers to External Commercial Borrowings (ECBs) and their ability to raise resources through capital/debt market, RBI has recently reviewed the guidelines on credit exposure limits of banks.

RBI has now advised banks that they may, in exceptional circumstances, with the approval of their Boards, consider enhancement of the lending to a borrower up to a further 5 per cent of capital funds in addition to the earlier limit of 15 per cent (i.e. 20 per cent of capital funds for single borrower) subject to the borrower consenting to the banks making appropriate disclosures in their Annual Reports. In respect of exposure to infrastructure, banks could consider additional sanction up to 5 per cent over and above the limit of 20 per cent.

**Madurai-Colombo-Singapore Flight**

1529. SHRI ASADUDDIN OWAISI:  
SHRI A.K. MOORTHY:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether a proposal for introduction of flight between Madurai—Colombo, Madurai—Singapore and Hyderabad—London is under consideration;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether British Airways has submitted a proposal for direct flight from Hyderabad to London;

(e) if so, the details thereof; and

(f) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) Madurai is not presently available as a point of call to the designated airlines of Sri Lanka and Singapore. Indian Airlines and Air India do not have any plans to operate on Madurai-Colombo and Madurai-Singapore sectors at present. Hyderabad is also not available as a point of call to the designated airlines of United Kingdom. Although Air India has no direct flight from Hyderabad to London, seamless transfers over Mumbai are available with their hub and spoke flights from Hyderabad.

(d) to (f) During the last round of bilateral civil aviation consultations between India and United Kingdom held in January, 2004, British delegation requested for Hyderabad as an additional point for their designated carriers. However, the negotiations ended inconclusively.

**Per Capita Plan Assistance to States**

1530. SHRI ANWAR HUSSAIN: Will the Minister of FINANCE be pleased to state:

(a) the per capita plan assistance for the different States during the year 2003-04;

(b) whether State Government of Assam got much less per capita plan assistance than other States specially that of Rajasthan, Gujarat, Arunachal Pradesh, Nagaland, Mizoram, etc.;

(c) if so, the reasons therefor; and

(d) the corrective steps taken by Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Details of per capita central assistance for State Plan provided by Ministry of Finance is enclosed as statement. Assam's per capita assistance was higher than all non-Special Category States but lower than all other Special Category States. No corrective steps are required as Assam received higher Central assistance than all other non-Special Category States. Normal Central assistance is determined according to Gadgil formula and central assistance relating to externally aided projects and specific State Plan Schemes depends upon States' performance.

**Statement**

*Per Capita Central Assistance Provided by Ministry of Finance for AP 2003-04 (based on 1991 population)*

Sl.No.	State	Per Capita Central Assistance (In Rupees)
1.	Andhra Pradesh	812.15
2.	Arunachal Pradesh	8159.49
3.	Assam	977.70
4.	Bihar	329.39
5.	Chhattisgarh	376.48
6.	Goa	786.67
7.	Gujarat	721.02
8.	Haryana	369.88
9.	Himachal Pradesh	2804.99
10.	Jammu & Kashmir	3966.81
11.	Jharkhand	323.96
12.	Karnataka	467.88
13.	Kerala	343.27
14.	Madhya Pradesh	473.58
15.	Maharashtra	204.14
16.	Manipur	3219.05
17.	Meghalaya	2726.70
18.	Mizoram	9277.54
19.	Nagaland	4356.61
20.	Orissa	584.78
21.	Punjab	297.92
22.	Rajasthan	557.23
23.	Sikkim	9266.34
24.	Tamil Nadu	290.63
25.	Tripura	2548.86
26.	Uttar Pradesh	332.32
27.	Uttaranchal	2125.90
28.	West Bengal	314.86

**New Pension Scheme**

1531. SHRIMATI KRISHNA TIRATH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government has examined the issue of revival of pension facilities of Government employees recruited after January 1, 2004;

(b) if so, the details thereof; and

(c) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The new restructured defined contribution pension system is mandatory for all new recruits (except the armed forces in the first stage) to Central Government service from January 1st, 2004.

(b) and (c) Do not arise.

**Exodus of Pilots**

1532. SHRI RAGHURAJ SINGH SHAKYA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there has been exodus of pilots from Alliance Airways, a subsidiary of Indian Airlines to other private Airlines due to wage disparity and work culture vis-a-vis Indian Airlines;

(b) if so, the number of pilots who left Alliance Airways during the last two years to join private Airlines; and

(c) the measures being taken to check the exodus of pilots and improve the wage structure thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) From 1st July, 2002 till date, 33 pilots have resigned from Alliance Air. Of these, 11 have joined Indian Airlines Ltd. and two Air India. The status of the remaining 20 pilots and the reasons for which they left Alliance Air is not known.

(c) Revision of wage structure and review of other service conditions of all the employees, including pilots in Alliance Air, is in hand.

[*Translation*]

### Decline in Profits

1533. SHRI MANOJ KUMAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the profits of the Air India have declined during 2003-2004;

(b) if so, the details thereof; and

(c) the steps being taken by the Government to enhance the profits?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) As per the provisional results, Air India will end the Financial Year 2003-04 with a profit of Rs. 105.50 Crores as against Rs. 133.86 Crores achieved in 2002-03. The reasons for the decline in profit during 2003-04 are (i) cancellation/ withdrawal of flights due to SARS resulting in drop in traffic, (ii) non-cooperation by pilots during April/May 2003, (iii) Iraq war, (iv) increase in prices of Aviation Turbine Fuel (ATF) and (v) overall recessionary trend in the international market.

(c) Measures taken by Air India Limited to generate more revenues as well as to reduce cost are (i) dry lease of aircraft to increase frequencies to the existing and to operate services to new stations, (ii) route rationalization by withdrawal of capacity from inherently loss making and re-deployment on more profitable routes, (iii) implementation of Automated Revenue Management System (ARMS), (iv) reduction of staff strength at foreign stations, close/downsize offices abroad and surrender space, (v) ban recruitment/appointment except in operational areas and redeployed staff from non-operational to operational areas, (vi) lowering of retirement age and (vii) reduction of agency commission from 9% to 7% etc., (viii) disposal of non-performing assets.

[*English*]

### Outstanding Tax Arrears

1534. SHRI RAGHUNATH JHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that C&AG in its report No. 13 of 2003 (Direct Taxes) in para 1.7 on pages 6 and

7 revealed that Rs. 39,631.50 crore was outstanding as arrears of tax demand in 3993 cases that were made available to the audit;

(b) if so, the reasons therefor;

(c) the total tax demand outstanding—Commissionerate-wise as on date, since when it is outstanding; and

(d) the steps have been taken to recover the outstanding tax demand?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) The reasons for the tax demands remaining outstanding include stay granted by the Courts, ITAT and income-tax authorities; cases pending before BIFR and Settlement Commission and demands pertaining to the cases in which recovery is administered by the Special Courts.

(c) The total outstanding demand as on 1.4.2004 is Rs. 87,885.21 crore. Commissionerate-wise details are not centrally maintained at the Ministry level. The position of outstanding arrears of demand continuously changes with liquidation and fresh addition of demand.

(d) The steps taken to liquidate arrears of taxes include steps towards speedy disposal of appeals, vacation of stay, monitoring of high arrear cases, reduction in litigation and setting up of special units for effecting recovery.

MR. SPEAKER: The hon. Minister has made a request and I am permitting him to lay the statements on the Table of the House.

THE MINISTER OF HOME AFFAIRS (SHRI SHIVRAJ V. PATIL): Sir, I beg to lay on the Table of the House the following:

- (i) A statement regarding flood situation in Assam;
- (ii) A statement regarding flood situation in Bihar; and
- (iii) A statement regarding gang-rape of three dalit women on 8.7.2004 in Bhohtola village, Seoni District, Madhya Pradesh. ...(*Interruptions*)



12.01 hrs.

## STATEMENTS BY MINISTER

## (i) Flood situation in Assam\*\*

*(English)*

THE MINISTER OF HOME AFFAIRS (SHRI SHIVRAJ V. PATIL): Sir, 24 out of 27 districts are reported to be affected by floods. River Bramhaputra and its tributaries are still flowing above danger level in Kamrup, Goalpara, Dhubri, Darrang and Nagaon districts. In Nalbari district, all the rivers are flowing above danger level. The road communication to Nalbari from all sides still remains disrupted. In Kamrup district fresh areas of Hajo have been inundated. In Karimganj district also, rivers Langai and Kuchiara are rising and low lying areas have been inundated. In Sonitpur, Sibsagar and Cachar districts, the water level in the river including in Barak, show a receding trend. In Morigaon district the river Bramhaputra is also receding slightly. In Bongaigaon district, water levels of river Airmanas and Brahmaputra are static. In Jorhat and Chirang districts, the rivers show a receding trend.

Although most rivers are showing a falling trend, some parts of the State have received moderate rainfall on 14.07.2004 and due to this the flood situation in all the flood affected districts remains unchanged.

The damage reported is as follows:

Number of villages affected	6425
Crop are affected	4,68,000 hectares
Total population affected	50 lakh
Human lives lost	17
Houses damaged	Approx. 4 lakhs

Vital installations, telephone lines, educational institutions, electric sub-stations and other Government installations are reported to have been badly damaged. Around 1.5 km. of dyke on the Bramhaputra at Malahu has been breached. Flood waters have also affected Kaziranga National Park and 3 hog deers and 2 pythons have died. The new areas inundated in Assam are—Kamrup (Hajo area), Golaghat (Bokakhat area), Dhubri, Darrang, Lakhimpur, Hamren and Morigaun. In Karimganj

district a breach on the Dyke of river Kochua has taken place affecting 110 families. Most of the rural roads are reported to be badly damaged.

Traffic on NH-31, NH-44 and NH-53 remains disrupted due to overtopping and landslides at various points. A 20-metre breach on NH-31 between Nalbari and Barpeta has been restored. Road communication from Barpeta to NH-31 is also cut off due to a breach in the State PWD road.

The broad-gauge link north of Bramhaputra to Guwahati has been restored but it continues to be under the danger of being disrupted because of flood waters. The railway link between Rangia and Dhemaji (north of Bramhaputra) continues to be disrupted and is not likely to be restored before the 30th of July. The railway link south of Bramhaputra is operational. The rail link between Lumding to Badarpur and Rangiya to Tezpur is disrupted. The rail link between Lumding to Badarpur is expected to be restored by this evening.

The State Government is carrying out rescue and relief operations. 1296 numbers of relief camps have been opened. Gratuitous relief has been provided to 2,75,864 persons. 51717 quintals of rice, 5779 quintals of dal, 665 quintals of chira, 1681 quintals of salt and 120 quintals of gur have been distributed as gratuitous relief. The Government have sanctioned an amount of Rs. 50 crores to districts for providing relief to the flood affected people as well as to different departments for taking up immediate restoration of roads, bridges, embankments etc. and for distribution of medicines and fodder to the flood affected areas; installation of hand tube-wells for drinking facilities, and restoration of power installation damaged in recent floods.

Assistance requested from the Central Government and the action taken: The State Government had requested for 7 helicopters. The helicopters have been made available to the State Government. These helicopters have been positioned at Guwahati, Tejpur, Dibrugarh, Jorhat and Silchar as requested by the State Government.

Assistance is being provided by the Army for relief and rescue operations as follows:

- 3 composite flood relief columns are providing assistance in Nalbari
- 3 composite flood relief columns are providing assistance in Kamrup district

\*Speech was Laid on the Table.

#Also placed in Library. See No LT 264/04.

- 1 composite flood relief column is operating in Darrang district with 4 BAUTs.
- 1 composite flood relief column is operating in Nagaon district
- 1 composite flood relief column is operating in Kokrajhar district with 2 BAUTs.
- 3 composite flood relief columns are operating in Goalpara district with 5 BAUTs.
- One composite flood relief column is operating in Morigaon district with 4 BAUTs.

The State Government had requested for 25 more number of BAUTs. 23 BAUTs from Pune and Bangalore have reached Guwahati. With this, the total number of BAUTs available in Assam for rescue and relief is 46.

About 120 rakes of goods are still lying backed up for entry into Assam, and other North Eastern States because of the slow movement of traffic on the broad gauge link north of Bramhaputra and the need to give priority to mail and express trains. The rake movement for civil supplies has now been started. Government of Assam have indicated the priority for the movement of essential commodities by rail. Ministry of Railways has started movement of rakes as per the priority given by Government of Assam.

Unloading of rakes carrying food grains at Barpeta, Guwahati and Gosaigaon sidings is affected due to partial submergence of the sidings, damaged approach roads to the siding and lack of space in the FCI godowns. FCI is expediting unloading of rakes by creating more godown space through road bridging. Unloading of rakes at seven other terminals in NE region is going on smoothly. The Department of Food has been advised to expedite movement of stock by road to different States of NE region. It is expected that the rakes will be released by FCI swiftly in the next few days.

Department of Food as well as the Ministry of Railways have confirmed that there is at least one month's supply of food grain available with Mizoram, Manipur, Tripura and Nagaland. The total stock of food grain in North-East is reported to be more than two lakh MTs. For Assam, 1.44 lakh MT of food grains is available with FCI in Assam. Similarly there are adequate food grains with FCI in other NE States.

The road bridging between Guwahati siding and Meghalaya/Jaintia Hills and beyond is ongoing. Around

120 trucks carrying food grains are on road and the road to Sonapur and Jaintia hills is likely to be cleared by today evening as reported by DG (BR). It may be noted that around 600 trucks are held up on the road and DG (BR) has been advised to make the road completely operational for heavy vehicles.

Government of Assam have requested for setting up six bailey bridges for restoration of Road communication. The restoration of culvert/bridge on NH-31 at 1059 km. near Rangiya, which was washed away in floods, will be taken up by National Highways Authority of India and in case, any assistance is required. Engineer-in-Chief, Army HQ will provide necessary assistance. For other five locations where bailey bridges have to be set up immediately, Engineer-in-Chief, Army HQ have the requisite capacity and will take up the work immediately after receiving necessary requisition from the State Government. The Government of Assam has been advised accordingly.

Normal routine operations of movement of 40 to 50 trucks of food grains every day from New Guwahati to Silchar, Tripura and Mizoram is continuing.

The State Government had made a request for 50 lakh halogen tablets; 50 lakh packets of ORS; 500 MTs of DDT and 200 MTs of bleaching powder. 25 lakh halogen tablets have been airlifted and provided to Government of Assam, on the 15th of July. Another consignment of 25 lakh halogen tablets will reach Guwahati on 17th July 2004. As against the requirements of 50 lakh ORS packets, 10 lakh ORS packets will be provided to Government of Assam in next 4 days, with the first consignment of 1.5 lakh packets slated to reach Guwahati by the 17th July evening. Ministry of Health will assess the requirement of bleaching powder and supply the required quantity to the State. Government of Assam currently have 1049 MTs of DDT available with them, which is meant for indoor residual spray. Ministry of Health have further advised that carrying out indoor residual spray during the flood situation is not considered to be operationally and technically desirable. Ministry of Health will obtain the details of micro-action plan for DDT spray from the State Government and a view on additional supply of DDT will be taken thereafter.

The Ministry of Health have sent a Central Team to the flood affected areas of Assam to advise the State on the action to be taken to prevent outbreak of epidemics. This team is currently visiting flood affected areas.

[Shri Shivraj V. Patil]

A team of four experts of ISRO/Dept. of Space along with Four INMARSAT Satellite phones and Eight Wireless in Local Loop (WLL) phones are reaching Guwahati on 16th July 2004 to assist the State Government in establishing emergency communication links.

The Department of Drinking Water Supply was requested to dispatch a team to Assam to assess the drinking water situation. The Dept. of Drinking Water Supply has received a feedback from State Government that the drinking water situation is completely normal.

The Ministry of Petroleum & Natural Gas have reported that they have released 4000 MT of K-Oil as an additional allocation to the State of Assam. Government of Assam have further requested (through the Resident Commissioner, Assam) for additional allocation of 6000 MT of K-oil has been lifted against the first allocation of 4000 MT, further allocations will be released depending on lifting.

Funds from CRF/NCCF: The first instalment of Central share of CRF amounting to Rs. 46.26 crores was released on the 12th of July. Taking into account the State share of Rs. 15.42 crores the total funds available on this account comes to Rs. 61.68 crores. In addition, a sum of Rs. 55 crore has been released from the NCCF on an ad-hoc basis on the 13th of July. The above releases will make available and amount of Rs. 116.68 crores to the State for carrying out relief operations.

Aerial survey and visit of the Central Team: The hon'ble Union Minister for Water Resources visited Assam on the 15th July for an aerial survey of the flood affected areas. An Inter-Ministerial Central Team is also being constituted for detailed assessment of the flood situation in Assam and the team is likely to visit the flood affected areas immediately after the flood water has receded to an extent.

I am happy to inform you honourable Speaker, Sir, that with the assistance of all the Ministries of the Government of India we have been able to provide the necessary assistance to the State Government of Assam. I would like to assure all the Members that the Central Government will provide all the necessary assistance to the affected State.

12.01 1/4 hrs.

**(II) Flood situation in Bihar\***

[English]

SHRI SHIVRAJ V. PATIL: The flood situation in Bihar continues to be grim. As per reports received till yesterday, the river Bagmati was flowing in high flood situation at a level of 49.62 mt. with a falling trend which is 10 cm below its previous HFL of 49.72 mt. and 0.94 metre above danger level of 48.64 mt. The river Budhigandak was flowing in high flood situation 20 cm below its previous HFL and 1.56 metres above the danger level, and is anticipated to recede in the next 12 hours. The river Kosi was flowing 54 cm below its previous HFL and 2.01 metres above the danger level, and is anticipated to be steady during the next 12 hours.

Road communication on eight National Highways is disrupted at different places in the State, with flood waters overtopping the road. There was a slippage of 800 mts. on NH-31. Some of the critical national highways which have affected road communication links with Assam, different districts of North Bihar and bordering areas of Nepal are NH-28A, 31, 77 and 104.

The damage reported is as follows:

Number of districts affected	16
Number of Blocks affected	113
Number of villages affected	3652
Population affected	94.36 lakh
Crop area affected	8.418 lakh hectares
Number of houses damaged	2.38 lakh
Human lives lost	32
Number of livestock lost	17

The State Government is carrying out relief operations. The details are as follows:

Boats deployed	1432
Readymade food distributed	1209.49 Quintals
Number of polythene sheets distributed	20868
Number of food packets air-dropped	23863

\*Speech was laid on the Table.

Assistance requested from the Central Government and the action taken:

Eight Army columns were present in Bihar on 14th July, 2004. Two columns are deployed in Sitamarhi and Muzaffarpur. Four columns with 16 BAUTs have been deployed in Madhubani, Darbhanga and Samastipur districts. One task force with four BAUTs were airlifted to Madhubani.

Two additional columns with 8 BAUTs were airlifted from Bhopal to Patna on 14th July 2004 and they are en route to Samastipur district. The total number of Army flood relief columns available to Bihar now is eight.

Government of Bihar have requested for two more columns with 4 BAUTs each and they are landing in Patna on 16th July 2004.

A total of 10 helicopters have been made available to the State. This includes 3 MI-8, MI-17 and 3 Chetak helicopters.

Government of Bihar had requested for 50,000 MT each of rice and wheat for providing GR to affected people. The FCI were instructed accordingly. FCI is making available the grain from its stocks.

There are adequate stocks with the FCI in the State. As on 14th July 2004, 2.5 lakh MT of food grains was available with FCI in the State of Bihar. FCI godowns in various flood affected districts have adequate stocks of food grains.

Government of Bihar had requested for 5000 tents. 308 tents have already moved from Orissa and have reached Patna on 15th July 2004. 200 tents arranged by Government of Gujarat have been airlifted to Patna on 15th July 2004. 60 tents from CISF have been airlifted to Patna on 15th July, 2004. 60 tents from CRPF available in Mokama and Muzaffarpur have been made available to Government of Bihar.

The State Government had requested for 10 lakh pieces of polythene sheets (of 5 X 5 metre dimension) to provide temporary shelter. State Governments of Maharashtra, Uttar Pradesh and Gujarat were advised to assist Bihar in procurement of polythene sheets. Five MT of Polythene sheets have been dispatched from Gujarat and distribution has started.

The State Government had requested for 10 lakh litres of additional allocation of K-oil. The Ministry of

Petroleum and Natural Gas have allocated the entire quantity. They have also indicated that further allocations can be made available as required.

The Government of Bihar had requested for 50 lakh halogen tablets. 25 lakh halogen tablets from Hyderabad were airlifted to the State on 15th July 2004. 25 lakh more halogen tablets will be made available to the State Government on 17th July 2004. A specialist team of Ministry of Health has arrived in Patna to assess the situation and advise the State Government on actions to be taken to prevent outbreak of epidemic in the flood affected areas.

Four satellite phones and onsite emergency coordination kits have been provided to the Government of Bihar by MHA. One more satellite phone has been made available to the State on 15th July, 2004. A team of five experts of ISRO/Dept. of Space along with four INMARSAT satellite phones and eight Wireless in Local Loop (WLL) phones are reaching Patna on 16th July 2004 to assist the State Government in establishing emergency communication link.

The Ministry of Road Transport and Highways have been advised to carry out an immediate assessment of the National Highways and take necessary measures for restoration on priority. A team of officials from Ministry of Road Transport and Highways is currently doing a detailed assessment of the situation to plan for necessary restoration measures. As most of the highways are submerged at different locations, assessment and restoration is likely to be delayed.

Department of Animal Husbandry and Dairying (DAHD) have been advised to assist the Government of Bihar in procurement of fodder. Railways will provide rakes for movement of fodder, DAHD has arranged for fodder through Government of Punjab and Government of Uttar Pradesh and State Government of Bihar has made necessary arrangements with Government of Punjab and Government of Uttar Pradesh for procurement and transportation of fodder.

Department of Animal Husbandry and Dairying (DAHD) have also been requested to provide five lakh units each of HS/BQ/FMD vaccine for cattle. DAHD has already arranged for one lakh doses of HS and 50,000 doses of HQ through Government of Uttar Pradesh and 1.7 lakh doses of BQ and 0.63 lakh HS vaccines from Jharkhand and the State Government of Bihar has made necessary arrangements for the supplies. A representative of Indian

[Shri Shivraj V. Patil]

Immunological Limited is in Patna to discuss the supply of FMD vaccines keeping in view the existing cold chain in the State.

*Release of funds from CRF:* The State of Bihar has been allocated an amount of Rs. 81.80 crore in the Calamity Relief Fund (CRF) for the year 2004-05 consisting of Rs. 61.45 crore as Centre contribution and Rs. 20.35 crore as State contribution. The first instalment of the Central share of the CRF had not been released by the Ministry of Finance to the State of Bihar as the State Government had not furnished the utilization report for the year 2003-04. Keeping in view the fact that funds will be required by the State Government to carry out rescue and relief operations in flood affected areas, the Ministry of Finance have been advised to release the pending first instalment of CRF of Central Share for the year 2004-05 amounting Rs. 30.525 crores. The amount has been released on July 12, 2004. Taking into account the State share of Rs. 10.175 crore, an amount of Rs. 40.70 crore will be available to the State Government for carrying out the relief operations in the affected areas.

*Aerial survey and visit of the Central Team:*

The Hon'ble Union Minister of State for Water Resources visited Bihar for an aerial survey of the flood affected areas. An Inter-Ministerial Central Team is also being constituted for detailed assessment of the flood situation in Bihar and the team is likely to visit the flood affected areas immediately after the flood water has receded to an extent.

I am happy to inform you, Honourable Speaker, Sir, that with the assistance of all the Ministries of the Government of India we have been able to provide the necessary assistance to the State Government of Bihar. I would like to assure all the members that the Central Government will provide all the assistance necessary to the State.

12.01 1/2 hrs.

**(iii) Gang-Rape of Dalit Women in Bhomtola village, Seoni District, Madhya Pradesh\***

[English]

SHRI SHIVRAJ V. PATIL: On 12th July, 2004, Shri Ramji Lal Suman had raised in the Lok Sabha concern

\*Speech was Laid on the Table.

#Also Placed in Library. See No. LT 265/04.

about a recent incident of gang-rape of three women in Madhya Pradesh. In deference to the sentiments expressed by the Hon'ble Member, I have obtained a report from the State Government.

As per the report received from the Madhya Pradesh Government, three women belonging to the dalit community were allegedly gang-raped on 08.07.2004 between 11.00 PM to 12.30 AM at night in Bhomatola village, Seoni district, Madhya Pradesh. A number of men belonging to another community dragged into the house of Shri Dhan Singh, allegedly forcibly dragged three women out of the house, then took them out of the village and gang-raped them. This was apparently in retaliation to an allegation that son of Shri Dhan Singh had run away with a girl belonging to their community, about which a missing person report was registered at Kanhipara police station on 6th July, 2004.

After the incident, the accused persons brought the victims in a procession into the village. When this dastardly act was being committed, all the accomplices were witnessing this evil deed and encouraging the accused persons. They neither protested against this incident nor lodged any complaint with the police. An ex-Sarpanch who happened to be passing through the village informed Kanhibara police station about the incident over the telephone. The police reached the spot immediately thereafter and took the victims under their shelter. A Crime case No. 173/04 under Sections 456, 376 (2) (g), 366/IPC and Section 3 under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 has been registered by the local police, against nine known accused and 20 to 25 unidentified persons.

Eight out of the nine named accused have been arrested so far. In addition, three accused not named (unknown) in the FIR have also been arrested so far. The case is under investigation by an officer of the rank of Deputy Superintendent of Police. Efforts are on to apprehend the rest of the accused. All the victims have been provided a financial relief of Rs. 50,000/-each. The Superintendent of Police has also been directed to constitute a separate team to trace out the missing girl and the boy.

The Madhya Pradesh Government is taking action to impose a collective fine on the persons who encouraged the crime rather than preventing it. One sub-inspector and one head constable have also been suspended for negligence of duty in the matter relating to the missing persons and departmental proceedings have been initiated against them.

SHRI BIKRAM KESHARI DEO (Kalahandi): Sir, the hon. Minister has made statements regarding flood situation but he did not make a statement on the drought situation in various parts of the country. There is a severe drought situation in various parts of Orissa.

MR. SPEAKER: This is not there in the business listed for today.

...(Interruptions)

12.02 hrs.

### PAPERS LAID ON THE TABLE

[English]

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): Sir, I beg to lay on the Table a copy each of the following papers (Hindi and English version):

- (1) Detailed Demands for Grants of the Ministry of Defence for the year 2004-2005.
- (2) Defence Services Estimates for the year 2004-2005.

[Placed in Library. See No. LT 224/04]

THE MINISTER OF TEXTILES (SHRI SHANKER SINH VAGHELA): sir, I beg to lay on the Table a copy of the Detailed Demands for Grants (Hindi and English versions) of the Ministry of Textiles for the year 2004-2005.

[Placed in Library. See No. LT 225/04]

THE MINISTER OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ): Sir, I beg to lay on the Table a copy of the Detailed Demands for Grants (Hindi and English versions) of the Ministry of Law and Justice for the year 2004-2005.

[Placed in Library. See No. LT 226/04]

MR. SPEAKER: Shri Shibu Soren.

...(Interruptions)

[Translation]

THE MINISTER OF COAL AND MINES (SHRI SHIBU SOREN): Sir I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Jawaharlal Nehru Aluminium Research Development and Design Centre, Nagpur, 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 Jawaharlal Nehru Aluminium Research Development and Design Centre, Nagpur, for the year 2002-2003.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 227/04]

- (3) A copy each of the following Notifications (Hindi and English versions) under sub-section (1) of Section 28 of the Mines and Minerals (Development and Regulation) Act, 1957:—
  - (i) G.S.R. 100 (E) published in Gazette of India dated the 5th February, 2004 seeking to reserve the areas in the State of Orissa for undertaking exploration and exploitation through the Steel Authority of India Limited, subject to certain conditions mentioned in the Notification.
  - (ii) The Mineral Conservation and Development (Fourth Amendment) Rules, 2003 published in Notification No. G.S.R. 963 (E) in Gazette of India dated the 24th December, 2003.
  - (iii) S.O. 713 (E) published in Gazette of India dated the 22nd June, 2004 specifying further time till 31st December, 2004 within which all mining leases granted before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 shall be brought in conformity with the Mines and Minerals (Development and Regulation) Amendment Act, 1994 and the Rules made thereunder.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (ii) of item (3) above.

[Placed in Library. *See* No. LT 228/04]

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUE): Sir, on behalf of my colleague Shri Praful Patel, I beg to lay on the Table—

- (1) A copy of the Aircraft (Amendment) Rules, 2004 (Hindi and English versions) published in Notification No. G.S.R. 390 (E) in Gazette of India dated the 26th June, 2004 under section 14A of the Aircraft Act, 1934 together with an Explanatory Note.

[Placed in Library. *See* No. LT 229/04]

- (2) A copy of the Detailed Demands for Grants (Hindi and English versions) of the Ministry of Civil Aviation for the year 2004-2005.

[Placed in Library. *See* No. LT 230/04]

MR. SPEAKER: Shri Prem Chand Gupta.

...(*Interruptions*)

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): Sir, I beg to lay on the Table a copy of the Companies (Acceptance of Deposits) Amendment Rules, 2004 (Hindi and English versions) published in Notification No. G.S.R. 189 (E) in Gazette of India dated the 12th March, 2004 under sub-section (3) of section 642 of the Companies Act, 1956.

[Placed in Library. *See* No. LT 231/04]

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYANA RAO): Sir, I beg to lay on the Table—

- (1) A copy each of the following papers (Hindi and English versions):

- (i) Detailed Demands for Grants of the Ministry of Coal for the year 2004-2005.

[Placed in Library. *See* No. LT 232/04]

- (ii) Detailed Demands for Grants of the Department of Mines, Ministry of Coal and Mines for the year 2004-2005.

[Placed in Library. *See* No. LT 233/04]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Coal Mines Provident Fund, Coal Mines Pension and Coal Mines Deposit Linked Insurance Schemes, Dhanbad, 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 Coal Mines Provident Fund, Coal Mines Pension and Coal Mines Deposit Linked Insurance Schemes, Dhanbad, for the year 2001-2002.

- (3) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library. *See* No. LT 234/04]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Sir, on behalf of my colleague, Shri S.S. Palanimanickam, I beg to lay on the Table—

- (1) A copy each of the following Notifications (Hindi and English versions) under section 48 of the Foreign Exchange Management Act, 1999:

- (i) The Foreign Exchange Management (Insurance) (Amendment) Regulations, 2003 published in Notification No. 10 (E) in Gazette of India dated the 7th January, 2004.

- (ii) The Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Fourth Amendment) Regulations, 2003 published in Notification No. 11(E) in Gazette of India dated the 7th January, 2004.

- (iii) The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (First Amendment) Regulations, 2004 published in Notification No. 12(E) in Gazette of India dated the 7th January, 2004.

- (iv) The Foreign Exchange Management (Foreign Currency Accounts by a person resident in

India) (First Amendment) Regulations, 2004 published in Notification No. 13(E) in Gazette of India dated the 7th January, 2004.

- (v) The Foreign Exchange Management (Permissible Capital Account Transactions) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 207 (E) in Gazette of India dated the 23rd March, 2004.
- (vi) The Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 208 (E) in Gazette of India dated the 23rd March, 2004.
- (vii) The Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 209 (E) in Gazette of India dated the 23rd March, 2004.
- (viii) The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 278 (E) in Gazette of India dated the 23rd April, 2004.
- (ix) The Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 279 (E) in Gazette of India dated the 23rd April, 2004.
- (x) The Foreign Exchange Management (Borrowing and Lending in Rupees) (Amendment) Regulations, 2004 published in Notification No. G.S.R. 351 (E) in Gazette of India dated the 8th June, 2004.
- (xi) The Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2004 published in Notification No. G.S.R. 352 (E) in Gazette of India dated the 8th June, 2004.

[Placed in Library. *See* No. LT 235/04]

- (2) A copy each of the following Notifications (Hindi and English versions) issued under Foreign Exchange Management Act, 1999:

- (i) G.S.R. 119 (E) published in Gazette of India dated the 17th February, 2004 containing Corrigendum to the Notification No. G.S.R. 4 (E) dated the 29th November, 2001.

- (ii) G.S.R. 120 (E) published in Gazette of India dated the 17th February, 2004 containing Corrigendum to the Notification No. G.S.R. 5 (E) dated the 5th December, 2001.

- (iii) G.S.R. 121 (E) published in Gazette of India dated the 17th February, 2004 containing Corrigendum to the Notification No. G.S.R. 34(E) dated the 15th January, 2003.

- (iv) G.S.R. 186 (E) published in Gazette of India dated the 17th February, 2004 containing Corrigendum to the Notification No. G.S.R. 399 (E) dated the 1st April, 2003.

- (v) G.S.R. 262 (E) published in Gazette of India dated the 16th April, 2004 containing Corrigendum to the Notification No. G.S.R. 531 (E) dated the 9th July, 2003.

- (vi) G.S.R. 263 (E) published in Gazette of India dated the 16th April, 2004 containing Corrigendum to the Notification No. G.S.R. 532 (E) dated the 9th July, 2003.

- (vii) G.S.R. 264 (E) published in Gazette of India dated the 16th April, 2004 containing Corrigendum to the Notification No. G.S.R. 533 (E) dated the 9th July, 2003.

[Placed in Library. *See* No. LT 236/04]

- (3) A copy each of the following Notifications (Hindi and English versions) issued under proviso to article 280 of the Constitution:

- (i) S.O. 770 (E) published in Gazette of India dated the 2nd July, 2004 containing Presidential Order seeing to extend the Term of the Twelfth Finance Commission.

- (ii) S.O. 771 (E) published in Gazette of India dated the 2nd July, 2004 containing Presidential Order regarding appointment of Dr. Shankar N. Acharya, as member (Part-Time) of the Twelfth Finance Commission.

[Placed in Library. *See* No. LT 237/04]

- (4) A copy of the Annual Report (Hindi and English versions) of the Insurance Regulatory and Development Authority, Hyderabad, for the year 2002-2003 alongwith Audited accounts, under sub-



section (3) of section 20 of the Insurance Regulatory and Development Authority Act, 1999.

[Placed in Library. *See* No. LT 238/04]

- (5) A copy of the National Housing Bank General (Amendment) Regulations, 2003 (Hindi and English versions) published in Notification No. S.O. 1041 (E) in Gazette of India dated the 10th September, 2003 under sub-section 5 of section 55 of the National Housing Bank Act, 1987.

[Placed in Library. *See* No. LT 239/04]

- (6) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619 A of the Companies Act, 1956:—

- (i) Review by the Government of the working of the Industrial Investment Bank of India Limited, Kolkata, for the year 2002-2003.
- (ii) Annual Report of the Industrial Investment Bank of India Limited, Kolkata, for the year 2002-2003, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

- (7) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (6) above.

[Placed in Library. *See* No. LT 240/04]

- (8) A copy each of the following Notifications (Hindi and English versions) issued under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993:

- (i) G.S.R. 79 (E) published in Gazette of India dated the 28th January, 2004 regarding change in the location of Debts Recovery Appellate Tribunal, Mumbai, with effect from the date mentioned in the Notification.
- (ii) G.S.R. 284 (E) published in Gazette of India dated the 26th April, 2004 regarding change in the location of Debts Recovery Appellate Tribunal, Kolkata, with effect from the date mentioned in the Notification.

[Placed in Library. *See* No. LT 241/04]

- (9) 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. 414 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 6/2002-CE dated the 1st March, 2002.
- (ii) G.S.R. 415 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 8/2003-CE and 9/2003 dated the 1st March, 2003.
- (iii) G.S.R. 416 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 10/2003-CE dated the 1st March, 2003.
- (iv) G.S.R. 417 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 214/86-CE dated the 25th March, 1986.
- (v) G.S.R. 418 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the four Notifications mentioned therein.
- (vi) G.S.R. 419 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 8/2004-CE dated the 21st January, 2004.
- (vii) G.S.R. 420 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt goods specified in the Notification from excise duty beyond 4% (for pure cotton) and 8% (for other goods) with availment of Cenvat credit.
- (viii) G.S.R. 421 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt specified textile goods from whole of the excise duty leviable thereon, subject to non-availment of Cenvat credit.

- (ix) G.S.R. 422 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt all goods from whole of the duty of excise leviable thereon.
- (x) G.S.R. 423 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt all goods from whole of the duty of excise leviable thereon.
- (xi) G.S.R. 424 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to rescind certain Notifications mentioned therein.
- (xii) G.S.R. 425 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to rescind four Notifications mentioned therein.
- (xiii) G.S.R. 426 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to rescind two Notifications mentioned therein.
- (xiv) G.S.R. 427 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt specified Polyester Filament Yarn from the whole of the special duty of excise leviable thereon.
- (xv) The Central Excise (Second Amendment) Rules, 2004 published in Notification No. G.S.R. 428 (E) in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum.
- (xvi) The CENVAT Credit (Amendment) Rules, 2004 published in Notification No. G.S.R. 429 (E) in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum.
- (xvii) G.S.R. 430 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 13/2002-CE (NT), dated the 1st March, 2002.
- (10) A copy of the Notification No. G.S.R. 187 (E) published in Gazette of India dated the 11th March, 2004 together with an Explanatory memorandum regarding appointment of the officers mentioned therein, together with a Corrigendum thereto published in Notification No. G.S.R. 227 (E) in Gazette of India dated the 29th March, 2004 issued under section 65 of the Finance Act, 1994.
- [Placed in Library. *See* No. LT 243/04]
- (11) A copy each of the following Notifications (Hindi and English versions) under sub-section (4) of section 94 of the Finance Act, 1994:
- (i) The Service Tax (Amendment) Rules, 2004 published in Notification No. G.S.R. 431 (E) in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum.
- (ii) The Service Tax Credit (Amendment) Rules, 2004 published in Notification No. G.S.R. 432 (E) in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum.
- (iii) G.S.R. 433 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to rescind three Notifications mentioned therein.
- (iv) G.S.R. 434 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the three notifications mentioned therein.
- (v) G.S.R. 435 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt rent-a-cab scheme operator from so much of service tax as in excess of service tax calculated on 40% of the gross amount charged.
- (vi) G.S.R. 436 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt convention service when catering is also provided from so much of service tax as is in excess of service tax calculated on 60% of the gross amount charged.

[Placed in Library. *See* No. LT 242/04]

[Placed in Library. *See* No. LT 244/04]

(12) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:

- (i) G.S.R. 408 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 21/2002-Cus., dated the 1st March, 2002.
- (ii) G.S.R. 409 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the six Notifications mentioned therein.
- (iii) G.S.R. 410 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 5/2004-Cus., dated the 8th January, 2004.
- (iv) G.S.R. 411 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum seeking to exempt specified goods from the Education Cess leviable thereon.
- (v) G.S.R. 412 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 25/1999-Cus., dated the 28th February, 1999.
- (vi) G.S.R. 413 (E) published in Gazette of India dated the 9th July, 2004 together with an Explanatory Memorandum making certain amendments in the Notification No. 25/2002-Cus., dated the 1st March, 2002.

[Placed in Library. *See* No. LT 245/04]

(13) A copy each of the following Reports (Hindi and English versions) under article 151 (1) of the Constitution:

- (i) Report of the Comptroller and Auditor General of India—Union Government (No. 8 of 2004) (Railways) for the year ended March, 2003.
- (ii) Report of the Comptroller and Auditor General of India—Union Government (No. 9 of 2004) (Railways) for the year ended March, 2003.

[Placed in Library. *See* No. LT 246/04]

(14) A copy of the Appropriation Accounts—Indian Railways—for the year 2002-2003 (Part I-Review) (Hindi and English versions).

[Placed in Library. *See* No. LT 247/04]

(15) A copy of the Appropriation Accounts—Indian Railways—for the year 2002-2003 (Part II-Detailed Appropriation Accounts) (Hindi and English versions).

[Placed in Library. *See* No. LT 248/04]

(16) A copy of the Appropriation Accounts—Indian Railways—for the year 2002-2003 (Part II-Detailed Appropriation Accounts) (Annexure—G) (Hindi and English versions).

[Placed in Library. *See* No. LT 249/04]

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVA): Sir, I beg to lay on the Table:

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Overseas Construction Council of India, 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 Overseas Construction Council of India, New Delhi, for the year 2002-2003.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. *See* No. LT 250/04]

(3) (i) A copy of the Annual Report (Hindi and English versions) of the Tea Board, Kolkata, for the year 2002-2003.

(ii) A copy of the Annual Accounts (Hindi and English versions) of the Tea Board, Kolkata, 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 Tea Board, Kolkata, for the year 2002-2003.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. *See* No. LT 251/04]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Cashew Export Promotion Council of India, Kochi, 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 Cashew Export Promotion Council of India, Kochi, for the year 2002-2003.
- (6) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (5) above.

[Placed in Library. *See* No. LT 252/04]

- (7) (i) A copy of the Annual Report (Hindi and English versions) of the Shellac Export Promotion Council, Kolkata, for the year 2002-2003.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Shellac Export Promotion Council, Kolkata, 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 Shellac Export Promotion Council, Kolkata, for the year 2002-2003.
- (8) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (7) above.

[Placed in Library. *See* No. LT 253/04]

- (9) (i) A copy of the Annual Report (Hindi and English versions) of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL), 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 Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL), Mumbai, for the year 2002-2003.

- (10) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (9) above.

[Placed in Library. *See* No. LT 254/04]

- (11) (i) A copy of the Annual Report (Hindi and English versions) of the Plastics Export Promotion Council (PLEXCONCIL), 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 Plastics Export Promotion Council (PLEXCONCIL), Mumbai, for the year 2002-2003.

- (12) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (11) above.

[Placed in Library. *See* No. LT 255/04]

- (13) (i) A copy of the Annual Report (Hindi and English versions) of the CAPEXIL (Chemicals and Allied Products Export Promotion Council), Kolkata, 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 CAPEXIL (Chemicals and Allied Products Export Promotion Council), Kolkata, for the year 2002-2003.

- (14) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (13) above.

[Placed in Library. *See* No. LT 256/04]

- (15) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Council of Arbitration, 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 Council of Arbitration, New Delhi, for the year 2002-2003.

- (16) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (15) above.

[Placed in Library. *See* No. LT 257/04]

- (17) A copy of the Statement (Hindi and English versions) showing reasons for delay in laying the Annual Report of the Council for Leather Exports, Chennai, for the year 2002-2003.

[Placed in Library. *See* No. LT 258/04]

- (18) A copy of the following papers (Hindi and English versions):

- (i) Memorandum of Understanding (Hindi and English versions) between the State Trading Corporation of India Limited and the Department of Commerce, Ministry of Commerce and Industry, for the year 2004-2005.

[Placed in Library. *See* No. LT 259/04]

- (ii) Memorandum of Understanding (Hindi and English versions) between the PEC Limited and the Department of Commerce, Ministry of Commerce and Industry for the year 2004-2005.

[Placed in Library. *See* No. LT 260/04]

- (19) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) section 17 of the Export (Quality Control and Inspection) Act, 1963:

- (i) The Export of Basmati Rice (Quality Control and Inspection) Amendment Rules, 2004 published in Notification No. S.O. 1139 in Gazette of India dated the 15th May, 2004.
- (ii) The Export of Honey (Quality Control and Inspection and Monitoring) Amendment Rules, 2004 published in Notification No. S.O. 1245 in Gazette of India dated the 29th May, 2004.

[Placed in Library. *See* No. LT 261/04]

- (20) A copy of the Notification No. S.O. 165 (E) published in Gazette of India dated the 5th February, 2004 (Hindi and English versions) making certain amendments in the Notification No. S.O. 189 (E) dated the 17th February, 2003 issued under section 14 of the Bureau of Indian Standards Act, 1986.

[Placed in Library. *See* No. LT 262/04]

- (21) (i) A copy of the Annual Report (Hindi and English versions) of the Rubber Board, Kottayam, for the year 2002-2003.

- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Rubber Board, Kottayam, 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 Rubber Board, Kottayam, for the year 2002-2003.

- (22) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (21) above.

[Placed in Library. *See* No. LT 263/04]

12.04 hrs.

## PERSONAL EXPLANATION UNDER RULE 357

*[Translation]*

SHRI NITISH KUMAR (Nalanda): Mr. Speaker, Sir, while answering the discussion on the Railway Budget on 14th July 2004 what Shri Lalu Prasad had said about Godhra incident, is not only beyond fact but misleading also. ...*(Interruptions)*

*[English]*

MR. SPEAKER: Please do not interrupt him. He is trying to make a statement and I have allowed him.

...*(Interruptions)*

MR. SPEAKER: Please sit down. I will not allow this.

...*(Interruptions)*

MR. SPEAKER: Hon. Members, please take your seats.

...*(Interruptions)*

MR. SPEAKER: I have allowed him to speak.

...*(Interruptions)*

MR. SPEAKER: I will not allow this.

...(Interruptions)

MR. SPEAKER: Nothing will go on record, except Shri Nitish Kumar's submission.

...(Interruptions)\*

MR. SPEAKER: There should be some discipline in the House.

[Translation]

SHRI NITISH KUMAR: I am starting again.  
...(Interruptions)

[English]

MR. SPEAKER: Nothing will be recorded except Shri Nitish Kumar's statement.

...(Interruptions)\*

[Translation]

SHRI NITISH KUMAR Mr. Speaker, Sir, I could speak only if you keep the House in the order.

MR. SPEAKER: You may please speak, I request all the Members not to disturb. At least respect the House.

...(Interruptions)

[English]

MR. SPEAKER: I have pulled them up.

...(Interruptions)

[Translation]

SHRI NITISH KUMAR: His words are not beyond fact but misleading also and section 114 and section 115 of the Railway Act 1989 have been interpreted with a malafide political intention.

He has said that "The Railway Safety Commission has neither carried out any investigation under section 114 of the Railway Act 1989, nor any departmental investigation under section 115 has been carried out".

\*Not recorded.

Sir, it is mentioned in the section 114 of the Railway Act 1989 that.

[English]

"Inquiry by Commissioner: (1) On the receipt of a notice under section 113 of the occurrence of an accident to a train carrying passengers resulting in loss of human life or grievous hurt causing total or partial disablement of permanent nature to a passenger or serious damage to railway property, the Commissioner shall, as soon as may be, notify the railway administration in whose jurisdiction the accident occurred of his intention to hold an inquiry into the causes that led to the accident and shall at the same time fix and communicate the date, time, place of inquiry:

Provided that it shall be open to the Commissioner to hold an inquiry into any other accident which, in his opinion, requires the holding of such an inquiry.

(2) If for any reason, the Commissioner is not able to hold an inquiry as soon as may be after the occurrence of the accident, he shall notify the railway administration accordingly."

[Translation]

It is clear from the above that the Railways Safety Commissioner himself is authorised to carry out investigation after an accident occurs. He need not get orders from anybody. He is authorised to investigate under this law. ... (Interruptions) These are Ministers, these are tainted Ministers, now the tainted Minister too will answer.  
...(Interruptions)

[English]

MR. SPEAKER: Hon. Members, I have allowed the statement to be made.

...(Interruptions)

SHRI MADHUSUDAN MISTRY (Sabarkantha): When Shri Lalu Prasad was speaking, they were out.  
...(Interruptions)

MR. SPEAKER: Forget about that.

...(Interruptions)

MR. SPEAKER: Since I have allowed him, you are questioning my ruling. You are questioning my decision. You are not entitled to question my decision. Please sit down.

SHRI NITISH KUMAR: You should not listen to such people. ...*(Interruptions)*

MR. SPEAKER: Let us behave in a responsible manner. Let there be some discipline in the House.

...*(Interruptions)*

MR. SPEAKER: Shri Madhusudan Mistry, you are not doing justice. Hon. Members, please take your seats. Do not compel me to take action.

...*(Interruptions)*

MR. SPEAKER: Please sit down. Carry on Shri Nitish Kumar.

...*(Interruptions)*

*[Translation]*

MR. SPEAKER: You please take your seat. This is the Parliament of India, and not a club.

SHRI PRABHUNATH SINGH (Maharajganj, Bihar): Hon'ble Minister is making comment please stop him.

MR. SPEAKER: You are also doing so, please take your seat.

...*(Interruptions)*

*[English]*

MR. SPEAKER: Shri Nitish Kumar, please restrict yourself to your statement.

*[Translation]*

SHRI NITISH KUMAR: It is clear from the above that the Railway Safety Commissioner is authorised to carry out investigation after an accident occurs. It is also mentioned in para 2 that if the Railway Safety Commissioner is not able to carry out investigations for some reasons, he will intimate the same to the Railway Authorities. In this context, it is to state that as far as I remember, I am giving the whole statement on the basis of remembrance, because I have no access to files.

*[English]*

MR. SPEAKER: Shri Nitish Kumar, please restrict yourself to your statement.

*[Translation]*

SHRI NITISH KUMAR: It is mandatory to state.

MR. SPEAKER: You have written.

SHRI NITISH KUMAR: In this context this is to state that as far as I remember, the Railway Authorities had apprised the Safety Commissioner, Western Zone of this incident on 27 February itself as per rules. The Safety Commissioner, Western Zone had later on apprised the Chief Safety Officer, Church Gate, Mumbai that since the Government of Gujarat has constituted the Inquiry Commission under the Commission of Inquiry Act 1952, the Railway Safety Commission could not therefore carry out this investigation under section 119 of the Railway Act. It is mentioned in the section 119 of the Railway Act:

*[English]*

**"No inquiry, investigation, etc. to be made if the Commission of Inquiry is appointed:** Notwithstanding anything contained in the foregoing provisions of this Chapter, where a Commission of Inquiry is appointed under the Commissions of Inquiry Act, 1952 (3 of 1952), to inquire into an accident, any inquiry, investigation or other proceeding pending in relation to that accident shall not be proceeded with, and all records or other documents relating to such inquiry shall be forwarded to such authority as may be specified by the Central Government in this behalf."

*[Translation]*

It is clear from the above that when an Inquiry Commission is appointed under the Commission of Inquiry Act, any other inquiry in relation to that incident cannot be carried out.

Lalu Prasad ji has said that departmental investigation was not carried out under section 115 of the Railway Act 1989. I would like to mention section 115 of the Railway Act 1989.

*[English]*

**"Inquiry by railways administration:** Where no inquiry is held by the Commissioner under sub-section (1) of section 114 or where the Commissioner has informed the railway administration under sub-section (2) of that section that he is not able to hold an inquiry, the railways administration within whose jurisdiction the accident occurs,

shall cause an inquiry to be made in accordance with the prescribed procedure.”

*[Translation]*

It is stated above that where the Railway Safety Commissioner is not able to conduct an inquiry into an incident, the Railway administration within whose jurisdiction the incident has occurred, will do so. I would like to mention here that section 114 and section 115 of the Railway Act are to be read with section 119 of the Railway Act 1989. ...*(Interruptions)*

*[English]*

MR. SPEAKER: Only what Shri Nitishji says is being recorded.

...*(Interruptions)\**

MR. SPEAKER: You need not get up. Why are you getting up? I am trying to control them.

...*(Interruptions)*

MR. SPEAKER: This is very unfortunate. You are openly trying to defy the Chair. There is a limit to my patience. Please sit down. I have allowed him to speak, including the text.

...*(Interruptions)*

MR. SPEAKER: You are not a super Speaker. You cannot override me. You cannot override my decision. Please take your seat.

...*(Interruptions)*

MR. SPEAKER: Please do not compel me to take action. Please sit down. Otherwise, I will be forced to take unpleasant action.

...*(Interruptions)*

MR. SPEAKER: This is becoming a habit. You are openly trying to defy the Chair. Is this adding to your prestige?

...*(Interruptions)*

*[Translation]*

SHRI NITISH KUMAR: Sir, I have already mentioned section 119. I fail to understand as to how the inquiry can be ordered under section 115 is the existence of section 119 ...*(Interruptions)*

*[English]*

MR. SPEAKER: What are you doing? it is very strange. You are making all these running commentaries.

I am taking notice of those hon. Members who are doing this. Yes, you will not get any opportunity to speak.

...*(Interruptions)*

MR. SPEAKER: Shri Nitish Kumar, I have allowed you, and I am trying to control them. Please carry on. With all your experience you ignore them.

...*(Interruptions)*

SHRI NITISH KUMAR: Sir, I am obeying you. With our kind permission, I am reading out from my statement.

MR. SPEAKER: You are so articulate and experienced.

...*(Interruptions)*

*[Translation]*

SHRI NITISH KUMAR: Mr. Speaker, Sir, Shri Lalu Prasadji has made allegations against me and the then Minister of State in the Ministry of Railways that we did not visit the place of the occurrence of the incident. I was sitting in the office at the Rail-Bhawan. When I got the information about this incident. Immediately I contacted the Railway authorities concerned. Following were the priorities at that time:

- (a) To ensure safe pull out of the people trapped in the coach.
  - (b) To ensure safe transportation of the passengers travelling in that train to their destinations; and
  - (c) To ensure Safe Railway Operations in Gujarat and other parts of the country in view of the incident so as to avoid any harm to the Railway property as well as the passengers.
- ...*(Interruptions)*

*[English]*

MR. SPEAKER: You are exceeding your limit.

...*(Interruptions)*

MR. SPEAKER: What happened?

...*(Interruptions)*

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\*Not recorded.



MR. SPEAKER: Shri Nitish Kumar, please finish your statement. Please co-operate. You ignore them. Your statement is recorded fully. I will see that every word of your statement is recorded and nothing other than that. Please carry on.

...(Interruptions)

[Translation]

SHRI NITISH KUMAR: As per my assessment I could monitor the entire matter while sitting in the Rail Bhawan in a far better way under that circumstances. Further, it needs to be pointed out that this incident was related to the problem of law and order and the practice of on the spot inspection by the Minister of Railways or the Minister of State in the Ministry of Railways over such incidents as involve law and order is no common in the Ministry of Railways. ...(Interruptions)

[English]

MR. SPEAKER: That will not go on record. The speech restricted to the statement will go on record.

...(Interruptions)

MR. SPEAKER: Except the statement, nothing will go on record.

...(Interruptions)\*

MR. SPEAKER: You ignore that. You carry on.

...(Interruptions)

MR. SPEAKER: You sit down. Shri Ramdas Bandu Athawale, you are a senior Member. Do not mislead others. Do not set bad examples to others.

[Translation]

Nitishji you are requested to read out your statement.

...(Interruptions)

[English]

MR. SPEAKER: You please ignore them and keep reading out your statement.

...(Interruptions)

[Translation]

MR. SPEAKER: You do not let your leader to speak.

...(Interruptions)

[English]

MR. SPEAKER: You are one of the leaders but you are disturbing him. This is very unfortunate. I am doing more than your work. We admonish them.

...(Interruptions)

MR. SPEAKER: You are a disciplined person. You were an Army man. You should not disturb others.

...(Interruptions)

[Translation]

MR. SPEAKER: I request you to keep quiet for two minutes.

...(Interruptions)

[English]

MR. SPEAKER: Nothing except the statement of Shri Nitish Kumar should go on record.

...(Interruptions)\*

[Translation]

SHRI NITISH KUMAR: Mr. Speaker, Sir, Lalu Prasadji has alleged that even the Railway authorities did not visit the site of the incident. This is also far from truth. I remember that the then Divisional Manager of Railways, Baroda and the Divisional Commissioner of Safety, RPF Baroda had submitted a report in this regard. ...(Interruptions)

MR. SPEAKER: Shri Nitish Kumar, you please go on. I want you statement to be recorded.

...(Interruptions)

[Translation]

MR. SPEAKER: Nitishji please read out after the words 'Immediately after receiving information the Baroda Division'

...(Interruptions)

MR. SPEAKER: Mr. Pal, please take your seat.

...(Interruptions)

[English]

MR. SPEAKER: Shri Salim, please take your seat. I will allow you later, not now.

...(Interruptions)

MR. SPEAKER: Hon. Members, I request you to please take your seats. He would finish reading his statement in another minute.

...(Interruptions)

MR. SPEAKER: If he is allowed to speak uninterrupted, he would finish in another one-and-a-half minutes. Please hold patience for two minutes.

[Translation]

Nitishji, please conclude in just two minutes.

...(Interruptions)

SHRI NITISH KUMAR: Immediately after receiving information, the ADRM, Baroda Division and the Branch officers of that Division had rushed to the site and the action on the part of the jawans of the Railway Protection Force had saved many lives. It is my demand that both above mentioned reports be laid on the Table of the House so that the country may know as to where the wrong lay. ...(Interruptions)

[English]

MR. SPEAKER: No running commentaries please. He has come to the last paragraph of the statement. Let him complete his statement.

...(Interruptions)

[Translation]

MR. SPEAKER: Why do you disturb your own leader? Prabhunath Singh ji, please keep quiet.

...(Interruptions)

SHRI NITISH KUMAR: Shri Lalu Prasadji has referred to the Report of the Forensic Science Laboratory,

Ahmedabad dated 17.5.2002 in his speech which is related to the CR No-9/2002, Godhra Railway Police Station. The action on the basis of this report of Forensic Science Laboratory, Ahmedabad has to be taken by the Investigating officer investigating this incident. An Unstarred Question No. 3783 was put up in the Lok Sabha in this regard which was replied to by the then Minister of State in the Ministry of Railways. I am quoting that.

[English]

MR. SPEAKER: You need not read that out.

...(Interruptions)

SHRI NITISH KUMAR: Sir, it is a part of the Statement. ...(Interruptions)

[Translation]

SHRI L.K. ADVANI (Gandhinagar): Mr. Speaker, Sir, today in the morning two prominent Ministers of the Government came to me and the leader of opposition in the other House and they desired smooth proceedings in the House. Discussion is to be held on the budget and other important matters. I told them that I also desired the same and shared their feelings and, therefore, I want that the controversy which arose yesterday is resolved amicably. We agreed that let the Question Hour be allowed today. Shri Nitish ji wanted to give a statement after the question hour yesterday, which he might now have given in writing also however I am not aware of that. ...(Interruptions)

[English]

MAJ. GEN. (RETD.) B.C. KHANDURI (Garhwal): No body is allowed to disturb him. ...(Interruptions)

[Translation]

SHRI NITISH KUMAR: It is approved.

SHRI L.K. ADVANI: And the proceedings will start smoothly once the statement is made. But, it seems that some people in the House do not want to continue proceedings smoothly and therefore ...(Interruptions). Otherwise I would have stated this in the beginning. But, I came to know later on. Shri Malhotraji told me that the Minister of Parliamentary Affairs was also present there when Shri Nitishji and Malhotraji himself went to see the Hon'ble Speaker who knew on what ground the entire discussion was to be held that day and we had expected, but....(Interruptions)

[English]

MR. SPEAKER: I am sorry, I did not permit him. I will allow Shri Nitish Kumar.

[Translation]

SHRI L.K. ADVANI: Mr. Speaker, Sir, when you stopped those who were interrupting I felt you were insisting upon the matter, but I found that Nitishji had not even completed his statement and you told that the matter had ended. ...*(Interruptions)*

[English]

MR. SPEAKER: Shri L.K. Advani, I am sorry. You are right. I thought he was only answering. But after the 'answer' he has his own statement. Please only read that.

...*(Interruptions)*

MR. SPEAKER: I am sorry, it is my mistake. I did not notice.

...*(Interruptions)*

MR. SPEAKER: You need not read out the Question-Answer.

...*(Interruptions)*

SHRI NITISH KUMAR: It is required. ...*(Interruptions)*

MR. SPEAKER: Shri L.K. Advani, you have seen how I am trying to control. I am trying my best.

...*(Interruptions)*

SHRI L.K. ADVANI: I am also trying my best. ...*(Interruptions)*

MR. SPEAKER: Everybody is trying his best, but the only thing is nobody is listening to the chair. That is the problem. I have not particularly blamed anybody. You know how I have been trying to control because I have committed to the statement. I had committed to Shri Nitish Kumar that I would allow him, if the statement had been given yesterday. However, he has given the statement today. First thing, I told him that I would allow him to read. Please go on.

...*(Interruptions)*

SHRI NITISH KUMAR: Shri, I am further reading:

**Forensic Report About Sabarmati Express  
at Godhra**

3783. SHRI G.M. BANATWALLA:  
SHRI SUSHIL KUMAR SHINDE:  
SHRI JYOTIRADITYA M. SCINDIA:

Will the Minister of RAILWAYS be pleased to state:

(a) whether a team of Forensic Science Laboratory of Ahmedabad inquiring into the Godhra train carnage of February 27, 2002, has after a simulated experiment of the fire in Railways train coach No. S-6, come to the conclusion that the fire which took the life of 59 passengers including women and children could be possible only if the inflammable like petrol was dowsed from inside the compartment and not is thrown from outside;

(b) if so, the result of the follow up investigations based on the said findings; and

(c) the action taken in the regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA): (a) to (c) 'Policing' being a State subject, prevention and detection of crime on Railways including running trains is the Constitutional responsibility of the State Governments. The cases of crime on Railways. ...*(Interruptions)*.....

MR. SPEAKER: I will see that the answer is recorded in the proceedings.

...*(Interruptions)*

SHRI NITISH KUMAR: The cases of crime on Railways are reported to, registered and investigated by the Government Railway Police (GRP). However, information furnished by the Superintendent of Police, Vadodara indicates that the Forensic Science Laboratory, Ahmedabad has opined that the petrol could have been poured from inside the coach. Any follow-up action on the report has to be taken by the State Government.

[Translation]

It is apparent that the Ministry of Railways had intimated the House about the aforesaid report of forensic science laboratory. During the discussions Shri Kapil Sibbal said that:

[English]

"Sir, this report is dated 17 May 2002 it means that almost three months after the tragedy took place this report was with the Government, with the Railway Minister yet this was kept under wraps till 2004."

[Translation]

On reading this I felt dismayed and surprised on the legal knowledge of Shri Sibbal. Dismayed because an advocate like Shri Sibbal does not know as to whom the forensic science laboratory report was handed over and astonished at the fact that the forensic science laboratory report was with the Minister of Railways. It seems according to him Railway himself was the investigating officer of this incident to whom forensic science laboratory report was sent. Moreover, it is wrong that the House was not intimated about it before 2004. We have mentioned that the House was intimated. As I have already told that through an answer to an unstarred question in August 2002, the House was intimated in this regard. Shri Sibbal should not give such confusing statements.

Sir, it is also necessary to mention that in March 2003 itself a question was raised in this very House about Godhra Incident in Sabarmati Express. In Answer to it I had laid all the information asked for on the Table of the House.

It is clear from the above facts that the allegations levelled against me by Shri Lalu Prasad are politically motivated and such a conduct is against parliamentary traditions and decorum.

[English]

MR. SPEAKER: No discussion on this is allowed.

...(Interruptions)

[Translation]

PROF. VIJAY KUMAR MALHOTRA (South Delhi): Privilege motion should be brought against Shri Lalu Prasad & Shri Kapil Sibbal.

MR. SPEAKER: You bring it, we will see.

...(Interruptions)

SHRI NITISH KUMAR: He keeps asking Shri Kapil Sibbal in this regard. Prior to it he should ask Law Minister Shri Bhardwaj. ...(Interruptions)

12.32 hrs.

## BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF URBAN DEVELOPMENT (SHRI GHULAM NABI AZAD): Sir, with your permission I rise to announce that Government Business during the week commencing Monday, the 19th of July, 2004 will consist of:

1. Consideration of any Item of Government Business carried over from today's Order Paper.
2. Discussion and voting on Demands for Excess Grants (General) for 2001-02.
3. Introduction, consideration and passing of the Appropriation Bills relating to:
  - (a) Demands for Grants on Account (General) for 2004-05.
  - (b) Demand for Excess Grants (General) for 2001-02.
4. Consideration and adoption of the resolution regarding proposal of the Government to reject the Award given by the Board of Arbitration in C.A. Reference No. 5 of 1993 in respect of grant of Cash Handling Allowance to Post Office Staff.

[Translation]

MR. SPEAKER: Please, we don't understand what are you doing. The Minister is speaking about business. You don't even have the patience to listen to him.

...(Interruptions)

[English]

MR. SPEAKER: Now submissions by hon. Members Dr. Karan Singh Yadav. Please restrict yourself to the notice that you have given.

[Translation]

DR. KARAN SINGH YADAV (Alwar): Mr. Speaker, Sir, today is 16th of July. Half of the Shravan month has passed. ...(Interruptions)

MR. SPEAKER: What are you talking about? Please speak on the subject you are given.

DR. KARAN SINGH YADAV: I am speaking is zero hour.

MR. SPEAKER: Please speak on the subject you have given notice, about.

DR. KARAN SINGH YADAV: Notice is about the drought in Rajasthan.

MR. SPEAKER: Have you given any notice about the next week's business.

DR. KARAN SINGH YADAV: Yes Sir, I have.

MR. SPEAKER: Did you forget? Do you not want to raise it?

*[English]*

DR. KARAN SINGH YADAV: Sir, I want to raise it.

MR. SPEAKER: You do it. Please be attentive to what is going on.

DR. KARAN SINGH YADAV: Sir, excuse me, for being a new Member. It is because I have also given a notice to speak during the 'Zero Hour'.

MR. SPEAKER: Thank you.

DR. KARAN SINGH YADAV: Sir, the following items may be included in the next week's agenda:

- (i) Withdrawal of Excise Duty on edible oil/vanaspati and increase of custom duty on import of crude/refined oil.
- (ii) Looking into the impending severe drought in Rajasthan, special package be given to Rajasthan.

*[Translation]*

SHRI RAMDAS BANDU ATHAWALE (Pandharpur): Speaker, Sir, kindly include the following subjects in the agenda of next week:

1. Subject relating to provide reservation to the scheduled caste and scheduled tribe community in ratio of the total population of country taking the year 2000 as a base year.

2. Subject regarding an effective scheme for providing accommodation to all the people belonging to the scheduled caste and scheduled tribe community within next five years.

SHRI SHAILENDRA KUMAR (Chail): Mr Speaker, Sir, following subject may kindly be included in the agenda for next week:

1. Kaushambi the newly created district of Uttar Pradesh is very popular from historical point of view. Tourists from China, Japan and other countries who are followers of Buddhism and Jainism visit this area. In historical times, it was the capital of king Udhyan but Centre has not formulated any scheme to make it a tourist place. Many unemployed youth will get employment if this area is declared as national tourist spot. From historical point of view it is a place worth seeing.
2. Historical remains found during excavation in newly created District of Kaushambi have been kept in Allahabad Museum. Archaeological Department should make an action plan to set up a museum for preserving these remains in Kaushambi itself so that the development of the area could take place.

SHRI BACHI SINGH RAWAT 'BACHDA' (Almora): Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. Need to set up telephone facility immediately in all the villages of the difficult, hilly areas of the hilly States, Uttaranchal, in particular.
2. Need to set up mobile phone facility in all the development blocks of the hilly States of the country particularly in the districts of Almora, Pithoragarh, Champawat, Bageshwar of Uttaranchal, at the earliest.

SHRI PUNNU LAL MOHALE (Bilaspur): Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. Rice may be distributed at the rate of Rs. 3/- per kg and wheat at the rate of Rs. 2/- per kg. to the people living below the poverty line in the super rural areas of India as adequate quantity of foodgrains is available in the country.

2. Approval may be granted to make the Guru Ghasidas University of District Bilaspur of the State of Chhattiagarh a Central University.

[*English*]

SHRI HANNAN MOLLAH (Uluberia): Mr. Speaker, Sir, the following items may be included in the next week's agenda:

- (1) Serious situation has arisen due to massive flood in Assam, Bihar, Arunachal Pradesh and West Bengal. So far 115 people have lost their lives; hundreds of cattle have died; houses and properties have destroyed. In West Bengal, flood situation was grim in Coochbehar and other north Bengal districts. The Government should provide all assistance and fund for the rescue, relief and rehabilitation of flood victims.
- (2) The demands for a comprehensive Central legislation for agricultural workers are being raised for several decades. Crores of agricultural workers are deprived of work, proper wages and other amenities of life. The Government should bring a Bill on this matter, and it should be debated and passed in the current Session itself.

[*Translation*]

SHRI TEK LAL MAHTO (Giridih): Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. Consideration with regard to regularization of 137 labourers of the Damodar Colliery by the Bharat Coking Coal Limited at the Bokaro district of the Jharkhand State.
2. Consideration with regard to railway diversion over the Damodar river in the Bokaro district of the Jharkhand State.

[*English*]

SHRI P.C. THOMAS (Muvattupuzha): Sir, the following items may be included in the next week's agenda:

- (1) There is a need to simplify the rules regarding attestation of documents by Ministry of Human Resource Development with a view to avoid the continuing hardships being faced by hundreds of job-seekers standing in queue for days together.

- (2) There is a need to help medical graduates from India, who obtained degrees from Russian Universities. They may be allowed to do internship before any screening test and to confine such test to some specified subjects.

SHRI SUNIL KHAN (Durgapur): Sir, the following items may be included in the next week's agenda:

- (1) Anomalies of *Panchayati Raj* System need to be removed through a new legislation so that the *panchayat* can be more effective.
- (2) To formulate proper policy to give more financial power to States so as to ensure equal distribution of all available amenities, resolve the problem of unemployment and taking forward the cultural development for the sake of unity of India.

[*Translation*]

SHRI RAVI PRAKASH VERMA (Khiri): Mr. Speaker, Sir, the following items may be included in the next week's agenda:

1. The socio-economic base of Uttar Pradesh has been suffering degeneration for a long time which requires reconstruction. Hence, a package of Rs. 18230 crores should be made available by the Union Government to the State Government of Uttar Pradesh.
2. Agriculture is the most important occupation of the people in India on which almost 70 percent people depend directly or indirectly but the share of agriculture in the G.D.P. is only 22.2 percent. Agriculture has got limited incentive from the Governmental initiatives. By enlisting agriculture in the main national agenda special efforts are required to be made to protect it from the ravages of the era of liberalisation and globalisation.

12.41 hrs.

## ELECTION TO COMMITTEE

### Joint Committee on Offices of Profit

[*English*]

MR. SPEAKER: Thank you. Now, we will take up item number 13 of today's Revised List of Business. Shri H.R. Bhardwaj.

THE MINISTER OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ): Sir, I beg to move the following motion:

"That a Joint Committee of the Houses to be called the Joint Committee on Offices of profit be constituted consisting of fifteen members, ten from this House and five from the Rajya Sabha, who shall be elected from amongst the members of each House in accordance with the system of proportional representation by means of the single transferable vote:

That the functions of the Joint Committee shall be-

- (i) to examine the composition and character of all existing "committees" [other than those examined by the Joint Committee to which the Parliament (Prevention of Disqualification) Bill, 1957 was referred] and all "committees" that may hereafter be constituted, membership of which may disqualify a person for being chosen as, and for being, a member of either House of Parliament under article 102 of the Constitution;
- (ii) to recommend in relation to the "committees" examined by it what offices should disqualify and what offices should not disqualify;
- (iii) to scrutinise from time to time the Schedule to the Parliament (Prevention of Disqualification) Act, 1959, and to recommend any amendments in the said Schedule, whether by way of addition, omission or otherwise.

That the Joint Committee shall, from time to time, report to both Houses of Parliament in respect of all or any of the aforesaid matters;

That the members of the Joint Committee shall hold office for the duration of the present Lok Sabha;

That in order to constitute a sitting of the Joint Committee, the quorum shall be one-third of the total number of members of the Committee;

That in other respects, the rules of procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

That this House recommends to the Rajya Sabha that the Rajya Sabha do join in the said Joint Committee and to communicate to this House the names of the

Members to be appointed by the Rajya Sabha to the Joint Committee."

MR. SPEAKER: The question is:

"That a Joint Committee of the Houses to be called the Joint Committee on Offices of Profit be constituted consisting of fifteen members, ten from this House and five from the Rajya Sabha, who shall be elected from amongst the members of each House in accordance with the system of proportional representation by means of the single transferable vote:

That the functions of the Joint Committee shall be-

- (i) to examine the composition and character of all existing "committees" [other than those examined by the Joint Committee to which the Parliament (Prevention of Disqualification) Bill, 1957 was referred] and all "committees" that may hereafter be constituted, membership of which may disqualify a person for being chosen as, and for being, a member of either House of Parliament under article 102 of the Constitution;
- (ii) to recommend in relation to the "committees" examined by it what offices should disqualify and what offices should not disqualify;
- (iii) to scrutinise from time to time the Schedule to the Parliament (Prevention of Disqualification) Act, 1959, and to recommend any amendments in the said Schedule, whether by way of addition, omission or otherwise.

That the Joint Committee shall, from time to time, report to both Houses of Parliament in respect of all or any of the aforesaid matters;

That the members of the Joint Committee shall hold office for the duration of the present Lok Sabha;

That in order to constitute a sitting of the Joint Committee, the quorum shall be one-third of the total number of members of the Committee;

That in other respects, the rules of procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

That this House recommends to the Rajya Sabha that the Rajya Sabha do join in the said Joint Committee and to communicate to this House the names of the Members to be appointed by the Rajya Sabha to the Joint Committee."

*The motion was adopted.*

*[English]*

MR. SPEAKER: Now, we come to matters of urgent public importance. Shri Harisinh Chavda.

*...(Interruptions)*

MR. SPEAKER: No, I would not allow anything to go on record.

*[Translation]*

SHRI HARISINH CHAVDA (Banaskantha): Hon'ble Mr. Speaker, Sir, a drought like situation has created in the whole of Gujarat due to lack of rain. There is no drinking water and also grass is not available for the animals. If no arrangement is made by the Government right now, the situation of Gujarat will turn worse. People are suffering severely in the whole of Gujarat. Mr. Speaker, Sir, through you, I request the Government that a survey may kindly be got conducted in this regard right now so that Gujarat might be saved.

*[English]*

SHRI MADHUSUDAN MISTRY (Sabarkantha): Mr. Speaker, Sir, I associate myself with this.

MR. SPEAKER: Thank you.

SHRI BASU DEB ACHARIA (Bankura): Sir, I have also given a notice on Gujarat, but on a different issue.

*[Translation]*

SHRI MADAN LAL SHARMA (Jammu): Hon'ble Mr. Speaker, Sir, through you I would like to submit that the brave people though not in defence uniform, dislocated from the border area of my Jammu-Poonoh parliamentary constituency have been living as refugees in the refugee camps for the last six years. I think that due to the indifferent attitude of the Government, their condition

deteriorated and now they are living in the camps. Now, when the peace process is going on between the two countries, bus and train service have also been restored, and the diplomats of the two countries have taken their assignments in each of the countries, the brave people of our country residing on the borders, are still living in border camps. Till date, they are living in border camps. They have nothing to eat, their tents have also been torn. They have neither oil nor any cash relief. I would like to urge upon the Government to take early steps for their rehabilitation so that they could return to their homes.

SHRIMATI RUPATAI D. PATIL (Latur): Mr. Speaker, Sir, Maharashtra, particularly my parliamentary constituency, Latur have been grossly neglected in the railway budget for the year 2004-2005. Sufficient funds should be made available for Latur-Kurduwadi gauge conversion programme. Latur-Miraj gauge Conversion programme which is pending for the past few years is not going on with required pace. However, this programme has been divided into four phases and operation has been started thereon with the Constitution of 33 kilometre Latur-Latur road and completion of gauge conversion programme of Kurduwadi-Pandharpur 52 kilometre track. The Ministry of Railways deserve thanks for this. Only the Latur-Kurduwadi gauge Conversion is the most important phase. Please make available sufficient funds by giving priority to this programme and get this gauge conversion completed in a time-bound manner.

My second proposal is for conducting surveys of new Nanded Nilanga Umarga Wadi track. The existing track connecting Bihar, Madhya Pradesh to Kamataka, Goa.  
*...(Interruptions)*

*[English]*

MR. SPEAKER: You cannot make a speech. Kindly mention the projects.

*[Translation]*

SHRIMATI RUPATAI D. PATIL: From Maharashtra the tracks passes through Nagpur Manmad Dond Solapur and Dond Kolhapur tracks which is very long and expensive. The above track can become its substitute. As the Ex-member of Parliament from Yawatmal, Shri Sudhakar Rao Naik had proposed the new Wardha Pusad Nanded track and demanded connectivity of Nagpur to Nanded. *...(Interruptions)*



[English]

MR. SPEAKER: You cannot make a speech. I have allowed you just to briefly mention the points.

[Translation]

SHRIMATI RUPATAI D. PATIL: This track should be further connected to Nanded Loha Latur Road Junction Nilanga Umarga Aland Wadi Bijapur. ...*(Interruptions)*

[English]

MR. SPEAKER: Shrimati Rupatai D. Patil, you cannot make a long statement. Do not make a long statement. You have just to mention the projects. Do not misuse the opportunity that has been given to you.

[Translation]

SHRIMATI RUPATAI D. PATIL: It is the demand of public here.

MR. SPEAKER: How can it be possible, you just mention the projects. I have given opportunity to you, I am obliged to you.

SHRIMATI RUPATAI D. PATIL: My third suggestion is that a new train should be introduced between Beeder Amritsar. Number of coaches of this train should be increased. ...*(Interruptions)*

MR. SPEAKER: You are now delivering railway budget speech, you just mention the projects.

SHRIMATI RUPATAI D. PATIL: You please make efforts to introduce Guru Nanak Express between Beeder and Amritsar. Extend this train to Beeder by increasing the number of its coaches and turning it to Parbhani Beeder track. I had written a letter to Shri Lalu Prasadji on 6th June, 2004 in this regard.

[English]

MR. SPEAKER: We had an exhaustive debate on the Railway Budget. Please cooperate with the Chair. Since you came to me with a request, I have allowed you to make your points.

[Translation]

SHRIMATI RUPATAI D. PATIL: Please do something about that.

[English]

MR. SPEAKER: Now, I give the floor to Shri Basu Deb Acharia. There are 39 Members who have given their names. I cannot call everybody at the same time. You sit down. You are only creating problems for yourself.

Let me regulate the proceedings. Thirty-nine hon. Members have given notices and I am trying to accommodate everybody. If you disturb, I will not call. I will not call those hon. Members who create trouble. Now, Shri Basu Deb Acharia.

SHRI BASU DEB ACHARIA: Sir, in the Best Bakery case of Gujarat the Supreme Court of India had made an observation that the victims of the Gujarat carnage—in which 2000 people were killed and hundreds were burnt alive—will not get justice in the State of Gujarat. That is why the Supreme Court has ordered that the trial in the Best Bakery case, where 14 people belonging to the minority community including a minor were burnt alive, should be held outside the State of Gujarat. ...*(Interruptions)*

[Translation]

SHRI RATILAL KALIDAS VARMA (Dhandhuka): Mr. Speaker, Sir, these people always speak of Gujarat. ...*(Interruptions)* What does it mean? Everyday they raise the issue of Gujarat. ...*(Interruptions)* You please forget the issue of Gujarat. ...*(Interruptions)*

[English]

MR. SPEAKER: Nothing will be recorded except what Shri Acharia says.

...*(Interruptions)\**

[Translation]

MR. SPEAKER: Yogiji, it is not right. You please sit down.

...*(Interruptions)*

[English]

SHRI BASU DEB ACHARIA: The hon. Judges of the Supreme Court have compared the Chief Minister of Gujarat with Nero. ...*(Interruptions)*

MR. SPEAKER: He is referring to a Supreme Court decision. Will you not allow a Supreme Court decision to be mentioned?

Shri Acharia, please be quick. Please finish.

SHRI BASU DEB ACHARIA: When Gujarat was burning, when houses were being burnt, when hundreds of people were being murdered and their houses were being plundered, the modern Nero was doing nothing to stop it. ...(*Interruptions*)

[*Translation*]

MR. SPEAKER: Basu Debji, you please conclude soon.

[*English*]

SHRI RAMJI LAL SUMAN (Firozabad): Sir, I am on the same issue.

MR. SPEAKER: How can you speak at the same time, I do not understand! It will not be recorded.

SHRI BASU DEB ACHARIA: The Supreme Court has ordered that CBI should inquire into six specific cases. The court was apprehensive that victims will not get justice in the State of Gujarat. I demand that the Central Government direct the CBI to inquire into those six cases as ordered by the Supreme Court and conduct a speedy trial. The Chief Minister should be held responsible for the carnage and he should be tried for crimes against humanity.

MR. SPEAKER: Shri Girdhari Lal Bhargava.

SHRI RAMJI LAL SUMAN: Sir, I am on the same issue.

MR. SPEAKER: I will adjourn the House and everybody will lose the opportunity.

Shri Acharia, you have made your point. Shri Suman, you can only associate. I will not allow you. Shri Ramji Lal Suman is associating with this.

SHRI BASU DEB ACHARIA: The Chief Minister of Gujarat is responsible for these crimes perpetrated in the State of Gujarat.

MR. SPEAKER: I have called Shri Girdhari Lal Bhargava. Shri Acharia, please complete.

SHRI BASU DEB ACHARIA: We want that Gujarat should not be repeated in any other part of the country. So, the Chief Minister of Gujarat should be charged for his crimes against humanity.

[*Translation*]

SHRI RAMJI LAL SUMAN: Mr. Speaker, Sir, Shri Basu Deb Achariaji has just given the reference of the Supreme Court's comment. It has largely been published in the newspapers. Supreme Court's reprimand to the Government of Gujarat—“give up the power if rioters can't be punished”. The most important point in this is that the retired Chief Justice of the Supreme Court, Shri B.L. Khare, said that there was a nexus between the alleged and the accused in Gujarat. The Government of Gujarat lended its tacit support to the rioters. Therefore, there can be no better basis to dismiss the Government of Gujarat since it is the basic concept of the State that the State Government would defend the life and property of the people.

I would like to request the Union Government through you to dismiss the Government of Gujarat. ...(*Interruptions*) What happened in Gujarat after Godhra incident was sponsored by the Government. ...(*Interruptions*)

I request the Government to dismiss Shri Narendra Modi's Government in Gujarat. ...(*Interruptions*)

[*English*]

MR. SPEAKER: Shri Girdhari Lal Bhargava is raising a very important matter.

...(*Interruptions*)

[*Translation*]

SHRI RAMDAS BANDU ATHAWALE (Pandharpur): Mr. Speaker, Sir, I demand from the Central Government to dismiss Shri Narendra Modi's Government. Shri Narendra Modi should be removed. In case he is not removed, his Government should be dismissed. ...(*Interruptions*)

MR. SPEAKER: Let him speak.

...(*Interruptions*)

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Speaker, Sir, Ramgarh 'Bandha' is the only source of

[Shri Girdhari Lal Bhargava]

water supply in the entire Jaipur city. Presently, its water level has receded to two feet. It seems to me that after four days the people of Jaipur city would not get drinking water. My submission is that the soil around the Bandh area should be dug out. The State Government on its own behalf is making efforts but 'Banas Yojana' is an appropriate scheme. A number of villages of my Parliamentary constituency are affected due to non implementation of this scheme. The Union Government should provide each and every help to the State Government so that handpumps could be installed, water tank could be constructed, only then the people of Jaipur will remain alive otherwise they will die thirsty.

As Ravi and Beas rivers have almost dried up, western Rajasthan is reeling under drought. It has not been rain there. In the absence of rain, Rajasthan may reel under severe drought. Therefore, my submission is that save Rajasthan and make drinking water, which is a major necessity, available to Jaipur city. The Government of India should help us. The State Government is energetic and is making all efforts in this regard. But, without financial assistance of the Union Government the Government of Rajasthan is facing problem of discharging relief work. The Union Government should provide assistance to the Government of Rajasthan.  
...(Interruptions)

MR. SPEAKER: I give chance to the people of each side.

...(Interruptions)

[English]

MR. SPEAKER: Hon. Member, if you disturb, I will not call you.

...(Interruptions)

MR. SPEAKER: Nothing will be recorded except what Shri Tek Lal Mahto says.

...(Interruptions)

[Translation]

SHRI TEK LAL MAHTO (Giridih): Mr. Speaker, Sir, the drought situation in the entire Jharkhand area has worsen more. The condition of the farmers of that area is pitiable. All the water resources have dried up. All the crops of Jharkhand area are affected by drought. Rain

has not taken place there till now. All the resources have dried up. Under these circumstances no crop will grow. Whatever seeds we have sown, have dried up. Water crisis has turned so severe that the people are hardly getting drinking water.

I demand the Government of India that Jharkhand should be protected from drought. The Government should find out a solution so that crops could be grown there.

[English]

MR. SPEAKER: Shri Kuppusami, you need not have stood up earlier.

SHRI C. KUPPUSAMI (Madras North): Hon. Speaker, Sir, we have received information just now about the gruesome fire accident at Lord Krishna & Saraswati Nursery School in Kumbakonam in Tamil Nadu. More than 100 students have died and injured because of this fire accident. I want to know whether the Government has got any information about this fire accident. I also want to know as to what action the Government would take to avoid recurrence of such fire accidents in future. What relief measures the Government has proposed to initiate? A statement in this regard may be made before the House.

MR. SPEAKER: I am sure the Government would take it up with the State Government. It is a State matter. At it is related to students, I have permitted you to raise the matter.

SHRI P.C. THOMAS (Muvattupuzha): Sir, it is a long misery for the students and job seekers who stand in the long queue for getting their documents attested from the HRD Ministry. Some action was taken to see that more counters were opened. But even now more than five hundred people stand in the queue. When they approach the counter, some agent goes in and get attested 50 documents and the chances of the students whose turn come to get attestation get diminished. A lot of hue and cry was made. Even fights took place. Even corruption is taking place.

13.00 hrs.

Some people manage out of queue also. So, something should be done immediately to see that this is curbed. It is mainly for job seekers who want to go to the UAE and other countries. So, I think, the Government should take note of this and take immediate action in this regard. Thank you.

DR. RAM CHANDRA DOME (Birbhum): Mr. Speaker, Sir, I want to raise a very important issue of urgent public importance. An important railway service was there in West Bengal connecting Jharkhand State. It was the Andal Palastoli rail service *via* Pandaveswar connecting the most backward areas of West Bengal and Jharkhand.

But it is a matter of great regret that this rail service has been suspended for more than two years citing some so-called technical and security reasons thereby depriving thousands of commuters in that area.

I urge upon the new UPA Government to take immediate and appropriate steps to restore this suspended rail service at Andal Palastoli railway route of the Eastern Railways.

Sir, I want to mention one more important matter. Just this morning, one news item has been circulated that a devastating fire broke out in north West Bengal, Siliguri region on the Indian Oil pipeline services. I want to draw the attention of the Government to take up appropriate measures on this issue.

MR. SPEAKER: I am sure, the hon. Minister of Parliamentary Affairs will do that.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUE): Sir, I have taken note of it. We will take appropriate steps.

MR. SPEAKER: Thank you.

[*Translation*]

SHRI CHANDRA SHEKHAR DUBEY (Dhanbad): Mr. Speaker, Sir, the former Prime Minister late Shrimati Indira Gandhi made an effort to improve the life style of coal mine workers by nationalising all the coal mines of India. Under rules and provisions of coal mines Nationalisation Act. ...(*Interruptions*)

[*English*]

MR. SPEAKER: Let Shri Dubey make his submission. He is also an hon. Member as much as you are.

[*Translation*]

SHRI CHANDRA SHEKHAR DUBEY: Ancillary units of captive mines and Coal India Limited have to do the

work relating to coal production and its sale but in contravention of these provisions (work relating to coal production under Contract Labour Abolition Regularisation Act), outsourcing and contract system have been resorted to undertake the prohibited work in Bharat Coking Coal Limited, an ancillary unit of Coal India Limited. Contract has been awarded to Mala Kumar and Company for extracting coal from Kuiyon Colliery falling under Basta Kola area. The said company has started its project. The company and the contractor have performed 'Bhoomi Poojan' on July 2, 2004. Such type of illegal work have caused resentment among coal workers, villagers and general public. I demand from the Government to get it probed and necessary action should be taken against the guilty officers so that outsourcing and contract system could not prevail in the Bharat Coking Coal Limited and BCCL and the interests of their workers be protected.

[*English*]

SHRI TATHAGATA SATPATHY (Dhenkanal): Sir, thank you for calling me. Ahead of you sits the Left. On your left is the extreme left. But there is one slice of the pizza which is in between, which always gets ignored. I thank you very much again because you have been kind enough to call me though I sit amongst this ignored slice of Pizza.

MR. SPEAKER: Please come to your point.

SHRI TATHAGATA SATPATHY: Yes, Sir.

I wish to draw the attention of this august House and the Union Government about the scanty rainfall in Orissa during this monsoon. Amongst the 30 districts of Orissa, upto June 25th, the rainfall has been very much below average. In certain districts like Deogarh, Sundergarh, Puri, Jagatsingpur, Khurda, Ganjam and Bargarh, the rainfall has been less than average by 64.5 per cent. In my Constituency that comprises of three districts—Angul, Dhenkanal and Sonepur, the rainfall has been 73 per cent below average.

Sir, this is not only going to affect the irrigation facilities, it is also going to severely affect the drinking water availability. The pressure would be felt next year if the rains do not come properly.

We have 16,175 lift irrigation points in Orissa. Out of that, only 9,400 are working as of now. We have, in our State, *pani panchayat* or water panchayat; and of these 9,400 points, 6,867 are included in *pani panchayat*.

[Shri Tathagata Satpathy]

I wish to draw the attention of the Union Government that if all the lift irrigation points that are in position now—that is, 16,175 points—are activated and special funds are made available to get them working, this will partially solve the drinking water problem also. Along with this, the Central Government has to make some sort of arrangement whereby surplus water, in the form of water harvesting structures, is stored so that ground water is re-charged.

I would like to draw the attention of the Government, through you, Sir, that this is of prime importance. If this is not taken up immediately, it will affect the drinking water problem of the State during the months of November-December.

MR. SPEAKER: Dr. Dharendra Agarwal—not present here.

Now, Shri Omar Abdullah.

...(Interruptions)

MR. SPEAKER: Just wait for a minute. Please allow me to conduct the House. I am trying to give opportunities to all sides of the House. I am trying to find out which are the most important ones—drinking water, drought, flood,—and giving them priorities.

...(Interruptions)\*

MR. SPEAKER: Nothing is being recorded. You are unnecessarily talking. Do not waste your energy now. When I call you, then only, you can speak. Nothing else will be recorded.

Let us cultivate this system. Nothing else will be recorded except the statement of the hon. Member whom I call. This is a standing instruction.

SHRI OMAR ABDULLAH (Srinagar): Mr. Speaker, Sir, through you, I want to draw the attention of the Government to a pressing problem in the State of Jammu and Kashmir.

Often, in the fight against terrorism, we hear statements being used about 'winning the hearts and minds of the people of Jammu and Kashmir, providing them with a healing touch, and making them feel that they are a part of this country'. But unfortunately, it seems, in the past year, we have failed miserably in winning the hearts and the minds of the people and in providing them with a healing touch.

I would like to draw the attention of this Government to a newspaper-article, a copy of which I have circulated with my notice, which details just how badly we are losing this fight for 'winning the hearts and minds of the people'. The position of human rights is the worst in the last seven years. I would like to quote some figures for this Government. These are not the figures that I am providing, but these are the figures provided by the State's Human Rights Commission, which details 29 cases of custodial killing, 82 cases of disappearances, 65 cases of harassment, and numerous other cases. Totally, 672 cases of human rights violations have been recorded with the State's Human Rights Commission, between April 2003 and June 2004. This is against only 51 cases in the year 1998-99.

Through you, Sir, I would like to request the Government to take a long, hard look at the position of human rights in Jammu and Kashmir, to strengthen the mechanism of human right protection, and to ensure that incidents like this do not take place.

MR. SPEAKER: Thank you very much. Now, Prof. Rasa Singh Rawat. Please be brief.

[Translation]

PROF. RASA SINGH RAWAT (Ajmer): Mr. Speaker, Sir, Rajasthan is facing acute famine for the last five years. All the resources of the State Governments are involved to fight the drought like situation. Area-wise Rajasthan is the largest State of the country and it is also a border State. Rajasthan has its special geographical position. On one hand, there is a huge desert area covering districts. The honourable Minister of Finance is sitting here. Through you, I would like to request the Government of India, that in view of geographical position of Rajasthan having sixteen desert districts and its being a border State, a special package is essential to provide for this drought affected State, so that this industrially backward State could also come at par with developed States and industrially backward state could also come at par with developed States and permanent development could take place there. Therefore, my submission to the Government of India is that just like Uttaranchal, Bihar, Himachal Pradesh and north eastern States, a special package should be granted to Rajasthan also considering it a special State so that financial position of Rajasthan could be strengthened.

\*Not recorded.

[English]

MR. SPEAKER: Dr. Karan Singh Yadav, please associate yourself with this issue.

DR. KARAN SINGH YADAV (Alwar): Sir, I associate myself with what Prof. Rasa Singh Rawat has said. The drought condition is very severe and Rajasthan needs a package very badly. Please arrange to send for the Central assistance at the earliest so that the people of Rajasthan could be saved.

[Translation]

SHRI JASWANT SINGH BISHNOI (Jodhpur): Mr. Speaker, Sir, I also associate myself with this issue. ...*(Interruptions)*

SHRI RAM SWAROOP KOLI (Bayana): Mr. Speaker, Sir, I also associate myself with this issue. ...*(Interruptions)*

SHRIMATI SUSHEELA BANGARU LAXMAN (Jalore): Mr. Speaker, Sir, I also associate myself with this issue. ...*(Interruptions)*

[English]

MR. SPEAKER: If you will cooperate, your names will be recorded.

DR. THOKCHOM MEINYA (Inner Manipur): Sir, taking advantage of this opportunity, I rise to draw the attention of the hon. Union Home Minister and that of the House, through you, to a very important incident and request the Government for the immediate necessary action to withdraw the promulgation of the Special Armed Forces Act, 1958, from the State of Manipur.

Recently, we have had a very terrible effect of killing of one innocent girl of about 30 years. She was arrested on the morning of the 11th of this month and was found dead on the 12th of the same month. There are a number of such incidents of custodian deaths, killed in fake encounters, in the State. Yesterday, on the 15th of July, a group of women came out in the streets. At the heart of the city, they paraded naked to protest against the para military forces.

I would also like to draw the attention of the House to a news item appearing in today's *The Times of India*, captioning, 'Manipur is burning'. I take this opportunity to request the hon. Minister to do something especially for

the insurgency-prone Manipur State. We are now in a very bad position. ...*(Interruptions)*

SHRI SURAVARAM SUDHAKAR REDDY (Nalgonda): Sir, I have also given a notice on the same subject. I wish to associate myself with it. ...*(Interruptions)*

MR. SPEAKER: I have not got any notice.

[Translation]

SHRI BACHI SINGH RAWAT 'BACHDA' (Almora): Mr. Speaker, Sir, 'Antyodaya Anna Yojana' had been launched for the families living below poverty line. ...*(Interruptions)*

MR. SPEAKER: The leader of none but your party is speaking on an important issue. You disturb him also. You are a senior member. It is an issue to provide the ration card to the people living below poverty line.

SHRI BACHI SINGH RAWAT 'BACHDA': It is not a matter of providing ration card but the matter is to provide wheat and rice to the people for three rupees. The supply of ration under this scheme is totally stopped for the last month. Only in some selected areas, ten kilos of ration is being provided. I urge upon the Union Government to intervene in this matter immediately and take steps at the earliest to supply the foodgrains in appropriate quantity to the families living below poverty line.

[English]

SHRI PRABODH PANDA (Midnapore): Sir, I would like to raise a point with regard to the subsidy on fertilisers. The Government should have a clear-cut policy to fix the subsidy level of the fertilisers. It should be framed in such a manner that it facilitates directly the farmers. The Government should publicly announce the actual cost of the raw materials and the rate of subsidy. The issue of subsidy for the sale of decontrolled fertilisers such as DAP, MOP and complex fertilisers, is slated to be deliberated upon by the Cabinet Committee on Economic Affairs. This year, an additional fund allocation is to be made on account of an increase in prices of various raw materials such as Phosphatic Acid, MOP and Ammonia. That is why, I request and urge upon the Union Government to ponder over it and to fix the subsidy policy in regard to the fertilisers.

MR. SPEAKER: Shri Hannan Moflah.

...*(Interruptions)*

MR. SPEAKER: I did not know that you are Shri Hannan Mollah.

*[Translation]*

SHRI AVINASH RAI KHANNA (Hoshiarpur): Mr. Speaker, Sir, through you, I would like to draw the attention of the Government, towards a serious issue. The power and water supply in Punjab are very poor. Today farmers are on roads whereas they should have been in their fields. No arrangement is being made by the Government to provide water and electricity for farmer's fields. The farmers of Punjab are considered as leading foodgrain producers but today they have become jobless. I would like to request the Government to take steps to make arrangements for the supply of water and power.

*[English]*

MR. SPEAKER: The House stands adjourned for lunch to meet at 1415 hours.

13.08 hrs.

*The Lok Sabha then adjourned for Lunch till fifteen minutes past fourteen of the clock.*

14.19 hrs.

*The Lok Sabha reassembled after lunch at Nineteen minutes past fourteen of the clock.*

(MR. DEPUTY SPEAKER *in the Chair*)

## FIRE ACCIDENT AT A NURSERY SCHOOL IN KUMBAKONAM, TAMIL NADU

*[Translation]*

PROF. VIJAY KUMAR MALHOTRA (South Delhi): Mr. Deputy Speaker, Sir, it will be very nice of the Government. If it provides information to the House about the fire accidents happened in Chennai. A grave situation has been created due to serious accident happened there. About hundred children have been burnt to death in that accident. Whatever information the Government have and if the Government could ascertain the facts, should be informed to the House.

SHRI MOHAN SINGH (Deoria): Mr. Deputy Speaker, Sir, this accident has happened at a school in Kumbakonam where fire broke out and it has been stated that more than hundred children and some teachers have

been burnt to death there. According to information there were nine hundred children in the school at the time of incident. Fire broke out in kitchen and the roof had collapsed. I think that complete information has not been collected so far. This accident has taken place at eleven 'O' clock. Around nine hundred school children were present there and there was only one exist and according to my calculation death toll may increase. It is a sensitive issue. The Government should inform the House about whole situation.

*[English]*

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): Sir, I would like to share the anguish and concern of all the hon. Members. In fact, no words are enough to express our feelings at this tragic incident. When we got the information, I had been in touch with the hon. Home Minister and the hon. Prime Minister. Till now, the information that is available is that a school building, namely, Sri Krishna Nursery Model School, was housed in thatched building. A fire broke out. Seventy seven children have expired and 30 of them have been injured. It may be more because detailed information is yet to be ascertained. I think, everybody will join me in expressing our sympathies and anguish to the members of the bereaved family, the parents and all concerned. I will keep the House informed.

KUMARI MAMATA BANERJEE (Calcutta South): Sir, everyone of us is shocked at this incident. The House is now in Session. My request is, could we pass a resolution to convey our condolences to the bereaved families?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF URBAN DEVELOPMENT (SHRI GHULAM NABI AZAD): Sir, from the Chair it is coming at 3 p.m. The hon. Speaker and the hon. Prime Minister are going to be present then.

KUMARI MAMATA BANERJEE: I am not saying any other thing. I am saying the same thing.

SHRI GHULAM NABI AZAD: That is what I said that it is coming at 3 p.m. It is already there.

KUMARI MAMATA BANERJEE: It is our prayer to you.

MR. DEPUTY SPEAKER: I agree.

14.23 hrs.

**GENERAL BUDGET, 2004-05—GENERAL  
DISCUSSION  
AND  
DEMANDS FOR GRANTS ON ACCOUNT—  
GENERAL—2004-05**

*[English]*

MR. DEPUTY SPEAKER: The House will take up further discussion on General Budget 2004-05. Item Nos. 14 and 15 to be taken up together.

*[Translation]*

SHRI MOHAN SINGH (Deoria): Mr. Deputy Speaker, Sir, the grave challenge this country is currently faced with is poverty. The UNDP development Reports have been published across the world. Going by the quality of life India has been placed in the status quo position and it ranks 127th globally. The data presented by the Government and the Planning Commission exhibiting the degree of poverty are not the real ones. Going by these data, today as many as 27 crore people are below poverty line and out of those 27 crore 10 crore are the poorest of the poor. This is awfully unfortunate state-of-affairs that we have accepted in the economic survey that in the rural India 17 out of 1000 persons have to go without food year after year. They don't get sufficient food to satiate their hunger. In the Urban India, 2 persons out of one thousand people are subsisting half-fed throughout the year. Poverty finds its base in unemployment. If we don't wage a movement to eradicate poverty, the expansion of poverty can't be checked in case of increase in unemployment.

Mr. Deputy Speaker, Sir, as per the records preserved in our country, 4 crore and 27 lakh people are unemployed that are enrolled in their respective employment exchanges. Taking an account of the rapid increase in unemployment figures, the West Bengal tops the list registering the growth of 18% moving a bit ahead of Kerala where this growth is 14 percent. The lowest growth of unemployment numbers has been recorded to be in Bihar and Uttar Pradesh but this is not the reality. It is so because the people belonging those States are aware and literate and the unemployed youth knock the door of the Government to get employment while in such States where there is high degree of illiteracy, the unemployed youth don't take pains to register themselves

with the Employment Exchanges in the pursuit of getting employment but on the whole, the situation is very alarming all over the country. As long as the Government of India make sufficient investment in the agriculture and industry sector, the unemployment in the rural and urban areas will never meet its death. We will have to launch a campaign in this regard. The former Government had launched a campaign that is known as Roads. This is an ambitious plan in which maximum number of people can be provided with employment. The former Government launched a scheme to link the whole of the country by Roadways. Roads measuring 13147 kilometres were slated to be constructed and the roads measuring nearly five thousand kilometres were to be constructed under the Golden Quadrilateral scheme. However, merely one fourth work was completed *in-to to* along these roads. The contracting companies resorted to subletting and such sub-letting companies did not accomplish the task. In the private sector, a total of one fourth roads were to be constructed under that ambitious scheme. We had to incur an expenditure of Rs. 54000 crore from the Government treasury for that cause.

Mr. Deputy Speaker, Sir, in this country poor farmers or whoever goes to buy petrol or diesel from the petrol pumps. He/she is charged one and a half rupee extra to be credited to the Government of India in the name of construction of these roads. All the same, what was the end result? I would like to know from the Hon'ble Minister of Finance as to how many people employment was provided. How many roads were constructed and how many of them are proposed to be constructed? Hon'ble Minister of Finance may please clarify it. Eight and a half crore rupees per kilometre is estimated to be spent on the construction of six lane Roads. As per the rates of materials in 1999, four lane roads ranging upto one kilometre involves the expenditure of four and a half crore rupees under Pradhan Mantri Sadak Yojana. There can be one alternative to it that there is a vast area of land under the Railways. Having utilized half of this amount we can lay Golden Quadrilateral Railway track to link up Metro Cities of the whole of India within two to three years. As a solution to the problem of roads, we can resort to the extension of the Railways. Therefore, I would like to request the Minister of Finance to set aside the amount to be spent on the construction of the Roads and invest the same capital in the Railways. This is one of my suggestions and the Minister of Finance should accept it. The second thing is that the Regional Rural Banks in our country have their access to the common people. These banks for a long time have been making their appeal to the Government of India to improve their



[Shri Mohan Singh]

condition and have been sending their requests. The Minister of Finance in the very first days answer to question maintained that he personally is not ready to accept the proposal of considering anyone as an apex party to link up these Banks at the National level. Let their future rest with the Commercial Banks—sponsoring them. It was argued that 51-52 banks are running excessively in loss. What are the names of the banks which are running their branches in the North East States and also in poverty stricken areas of Orissa. Regional Rural Banks operating their branches in terrorist affected areas in Jammu and Kashmir are in the red. Are the banks operating their branches in these areas not making efforts to make up their losses? Regional Rural Banks are the powerful medium of alleviating the poverty of the rural area and capital investment in the rural areas. But, the Regional Rural Banks provide loan to the poor unemployed youths, cottage industries and the small farmers at 12.5 per cent rate of interest. It is so because their sponsoring banks provide loans to them at 9 per cent rate of interest. Thus, they provide loan to the public at the rate of 12.5 per cent. Therefore, I think that survey should be conducted in this regard. The debt entrapped farmers are committing suicide. The farmers have taken loans from Regional Rural Banks. This problem can be solved by finding out the entire figure.

Commercial Banks do not open their branches in the rural areas. Regional activities and business activities have increased at the rural level. Even the business of banks has increased. But, I am assure that the commercial banks have not made efforts for opening their branches in rural areas during the last ten years. My submission is that the Union Government should think over improving the condition of the Regional Rural Banks.

I would like to say third point as a suggestion. The Minister of Finance has made a good announcement regarding disinvestment. There is an organisation namely BIFR. It has been set up to consider the policy of the Government regarding public enterprises and undertakings running in loss. It gives its decision whether these should be sold or these not be operated. It is like a cold storage. It is the BIFR which creates obstacles for improving the condition of the sick undertakings and various cases of small undertakings are lying pending with it for the last five-six years. These cases have not been decided. I urge upon the Government that it should do away with the BIFR and accelerated policy should be brought for improvement in disinvestment or operation of the undertakings running in loss. But, disinvestment should

not take place in the manner our friends have done during the last four years. The Centaur Hotel was disinvested, it was sold. The person who purchased it is not in a position to run it and he is going to sell it to a third party to earn profit of Rs. 150 crores. It should be probed that as to how much public property was looted in the process of disinvestment and selling of Government property during last four years. It should be reviewed and probed. I would like to urge upon the hon. Minister of Finance that Centaur Hotel sale episode should be exposed to the country. Besides, I would like to express some of my special suggestions before you in brief.

My first suggestion is that the Minister of Finance has provided tax exemption to the people having taxable income upto Rs. one lakh, but service tax has been raised. Who pays service tax? One has to pay service tax for transaction in banks. You have to pay service tax if you get engaged in insurance business. The unemployed persons have to get prepared a draft of Rs. two hundred for applying for government job and some times they have to get prepared a draft of Rs. one thousand for seeking admission. Now they will have to pay service tax for it also. All these services are linked with life. A person having income upto Rs. one lakh needs telephone. I urge upon the Minister of Finance that exemption in service tax should be provided to those items which are linked with our daily life. Otherwise, the common man would not get any benefit of the exemption which is being provided upto taxable income of Rs. one lakh. Every year effort is made to put tax burden on the people who are already paying the tax. It is not good. The people having income of more than Rs. one lakh to Rs. two lakh are not so rich. In this budget, no rebate has been provided to them. I urge upon the Government that some sort of rebate should be provided to the people having taxable income upto Rs. two lakh. I am not talking about total exemption of tax on their income. I request the Minister of Finance that he should provided exemption and relief to such people. I thank you for giving me an opportunity for expressing my views on this budget on behalf of my party.

*[English]*

SHRI K.C. PALANISAMY (Karur): Sir, today I have been given the rare privilege of making my maiden Parliamentary speech on the Budget proposals of 2004-05 by my post respected leader, Dr. Kalaighnar.

In a House packed with senior Members, learned scholars and seasoned economists, I wish to give my humble views that tell the minds of the people of Tamil

Nadu and that of my Party, the Dravida Munnetra Kazhagam.

Sir, the Budget proposals reflect the spirit and essence of the Common Minimum Programme. Shri Chidambaram has done true justice to the vision of Sonia ji, the President of the UPA.

The hon. Prime Minister Dr. Manmohan Singh ji's keenness to strict fiscal management is evident in the passing of the FRBM Act, 2004, thus ensuring the nation's economic health. This Budget, without doubt, is the result of the rich experience, deep knowledge and a clear vision of the hon. Prime Minister.

There is a saying in Tamil Nadu which says: "*Sattiyil Ulladhu than Agappayil Varurt*". This means "What is available in the pot only will come out in the spoon". But our Finance Minister has disproved this saying by giving many a spoonful of incentives, relaxations, benefits and sops to almost every sector of economic activity in the nation.

Further, Shri Chidambaram has reached across to the rural India and touched the hearts of millions of farmers by this first Ever Green Budget. Let us not forget that 60 per cent of India still lives in the villages; and any thought of an economic change cannot be dreamed of without making the families living in the rural India prosperous. Therefore, the Finance Minister has quite rightly pressed the green button without compromising on the industrial development of the country.

The Budget document, without doubt, can be considered to be the road-map for the UPA Government for the next five years. Yes, this is a Budget that even Pandit Jawaharlal Nehru would have been proud of!

As Member of Parliament from the DMK Party, I must thank the Finance Minister for fulfilling all the commitments that my leader Dr. Kalaignar has given to the voters of Tamil Nadu.

As an MP from Karur constituency in Tamil Nadu, I will be failing in my duty if I do not place on record my appreciation to the Finance Minister for his bold move of scrapping CENVAT and the removal of excise duty on pure cotton, wool and silk, thus giving the textile industry of our area the much-needed new lease of life.

The fifty-year-old textile industry will now start breathing afresh. The Manchester of South India will soon regain its past glory. Lakhs and lakhs of textile workers

in the handloom and powerloom sector will now come out of their untold sufferings due to unemployment and poverty.

One more historic blunder of the NDA Government thus stands corrected by just one stroke of the pen. The Finance Minister has lived up to the Thirukkural that he quoted in his Budget speech and has indeed walked the path of honour and courage.

SHRI SURESH PRABHAKAR PRABHU (Rajapur): Mr. Deputy Speaker, Sir, this is the first Budget presented by the UPA Government and therefore everybody is interpreting the election result which put the UPA in power. My friend Shri Rupchand Pal, the other day, was describing that it is the defeat of the neo-liberal policies of the previous Government and whichever Governments were following such policies have been defeated. That is why, the 'liberal' feeling is so strong that probably this first Budget which has been presented by the UPA Government has liberally used words like rural development and agriculture in such a big way that anybody will get swayed. But unfortunately, the provision that is required for these areas is not put. So, there is no money where the mouth is and therefore, unfortunately, this Budget has not fulfilled the type of expectations that were raised before it was presented.

Sir, it is true that we are now sitting in this side of Parliament, in the Opposition, because we lost power and the UPA has come to power. Why is this phenomenon now developing in the country? Every time a Ruling Party goes to the election, there is a very good chance that they would lose the election except the honourable exception of West Bengal where the Ruling Party has not lost power for many years and my friend Kumari Mamata Banerjee will explain why this has happened.

KUMARI MAMATA BANERJEE (Calcutta South): Sir, it is because they. ...*(Interruptions)*

MR. DEPUTY SPEAKER: This is not going on record.

...*(Interruptions)*\*

MR. DEPUTY SPEAKER: Please take your seat.

...*(Interruptions)*

MR. DEPUTY SPEAKER: Whatever is spoken by anybody without my permission will not go on record.

...*(Interruptions)*\*

**SHRI SURESH PRABHAKAR PRABHU:** Sir, I was saying that this Budget was presented amidst huge expectations and we are sorry to say that many of the programmes that this Government has announced in its Budget are nothing but repetition of the programmes which the previous Government was pursuing.

I must say that this is a merger than acquisition of the schemes, which were pursued in terms of merging several schemes of the previous Government and acquiring them in new names and repackaging and marketing them. Of course, I congratulate the hon. Finance Minister. He is a very intelligent and capable person for doing it in a manner that gives an impression that huge investment has been increased in the outlay that has been made for rural development and agriculture. I will go and find out how, unfortunately, the expectations have not been fulfilled.

Sir, the unorganised labour is 93 per cent of the total workforce of the country. The NCMP also talks about it but, unfortunately, there is no provision for unorganised labour in this Budget.

Now I come to fishermen. We have nine huge coastal States. There is no mention about fishermen living around that area, unfortunately, neither in the NCMP, nor in the Budget. The fishermen, who also deserve a good deal, have got a raw deal.

Sir, population is one of the major problems of the country. In fact, the per capita income is falling and not growing enough despite the growth in our GDP. The population increase is so much that per capita income really falls. Therefore, the prime need of the hour is to come out with a population policy, which is really to control the population. But unfortunately, none of the two documents, the NCMP or the Budget, talks about population control. I think, there should have been some incentives provided in this Budget for population control.

The organised labour, which again deserves a good treatment and the NCMP also talks about it, has got nothing. The most organised labour, one of the ancient or traditional industry in the country, is in the textile industry. For the National Textile Corporation, which employs a large number of workmen working in Mumbai, Ahmedabad and many other places, unfortunately, there has nothing been really provided. The employees of many other public sector undertakings got golden handshake,

but the employees of the National Textile Corporation and the textile workers really did not get the type of deal that they deserved. Therefore, the organised labour, particularly the NTC workers and textile workers in the city of Mumbai, have really suffered as a result of that.

The working community was expecting that probably the rate of interest on Provident Fund rate would be increased. We are also hoping that there will be some announcement. Of course, this is not relating to budget, but this is something different. Probably we should hope to hear something and that will be a good news for the workers.

There were some very good programmes carried out by the NDA Government, particularly the programme carried out by my good friend, Maj. Gen. Khanduri—that he mentioned—of rural roads and rural connectivity. There was a programme of finding out whether we can solve the problem of drought-flood-drought syndrome, which has been plaguing the country for a long time and we were trying to explore the possibility of solving the problem. Even today, there are a large number of people suffering because there is too much of water in Bihar, Assam, and some parts of West Bengal, and at the same time, other parts of the country are suffering because there is no rain. We were thinking of exploring that possibility also. But there is no mention about it. Probably, the Government is not thinking of tapping it.

There is no mention about the Sagarmala Project, to develop our entire coastline in the process of developing the lives of the fishermen. It was announced by the previous Prime Minister on the 15th of August last year. There is no mention about it. In fact, when the hon. Finance Minister was Finance Minister in the previous UF Government, he had said that 'America is rich because they have roads and not that roads have made because America rich'. We thought that the philosophy would be taken forward. There would be more provision for roads and that we would be able to connect different parts of India, the villages, with the main land. But, unfortunately, there is not enough provision that has been made for that.

Urban poor have also been ignored. Mumbai is home to 63 per cent of the people living in slums and Mumbai is one of the most populist city in the country. Unfortunately, there is not enough provision for the urban poor in this Budget, though 40 per cent of the revenue of the Central Government comes from the city of Mumbai. Therefore, they have been deprived of getting something from this Budget.

Handloom weaving, which is a major secondary activity in rural areas, has not got the type of deal that was expected by it.

As far as industry is concerned, the hon. Finance Minister talked about automobile industry and I really congratulate him for that because that is an industry which is going to be a flagship for the country. It has been really growing after liberalization and we are seeing how liberalisation benefits a particular sector. Not that industry is not only competitive within the country but has become a sourcing hub for the global industry.

Similarly, there could have been a deal which should have been given to the pharmaceutical industry. I remember when I was the Minister of Chemicals and Fertilisers, we had started a scheme of providing Rs. 150 crore for research and development. Probably this particular Budget should have provided for that.

It is because that is one industry which, after IT, can really become globally competitive industry and can earn a lot of foreign exchange, can create job opportunities, and can also solve the health care problem by developing molecules, by developing new drug delivery system. That is what, unfortunately, has not been provided for.

Sir, I congratulate the Finance Minister, of course, for making a provision for social sectors. This is something which is a welcome measure in this Budget. It is because we always talk about China, and China has developed because there has been a social sector development. Sir, Mao Tse-Tung has really laid the foundation of an economic reform because from 1949 to 1978, the social indices of the Chinese were improved so much that probably an economic reform could be launched. So, people gave credit to Mr. Deng what he did in 1978, but the foundation of that was laid during 1949. Therefore, this particular Budget talks about social sector and I really wish to congratulate him for that.

Sir, our former Prime Minister, Shri Rajiv Gandhi had said that when one rupee is sent by the Central Government for rural development programmes, probably, 10 paise to 12 paise only reach the final destination. Probably, we are hoping that having identified the problem, he may be able now to take up the corrective step. Probably what we really need to do now is to reform the administrative set-up which consumes so much of money, so much of pilferage, so much of leakage, and finally the quality of service that the end-user gets is something

which is deplorable. Therefore some change in administrative reform is really required. In the absence of that, we are building a rocket but we do not have a rocket launcher. The rocket building is a programme that we have talked about but rocket launcher is an administrative support. If you do not change that, probably many of our schemes though well-intended will not reach the final destination as we have seen during the last few years. Therefore, unfortunately, not much has been done on that part. In fact, the Prime Minister, while addressing the nation had said that this is a major problem. Probably, we are hoping that having identified that problem, there will be some provision made in that.

Sir, the petroleum subsidy in this Budget has been reduced by Rs. 3014 crore. I do not know whether this will mean that Budget is now not providing anything for it. So, probably having dismantled the administered price mechanism. I want to know whether we are moving towards the system whereby the market will determine the price that the consumers will have to pay. Is this the policy?

We have also really not identified that there is a problem of man-animal conflict. Shri Baalu was the Minister of Environment after me. I was the Minister of Environment. In the city of Mumbai, in many places, there is a growing man-animal conflict. We need to protect the forests. We need to have wildlife habitat. Unfortunately, this growing man-animal conflict is creating an impression that animals do not have place to live and, probably, man only can take over that. There would have been more provisions in this Budget to make sure that such man-animal conflicts are avoided. Unfortunately, there is a provision in this regard.

Sir, education cess, which has a multiple charge, is going to be charged not just once but on many people. A person will have to pay taxes in many places wherever he is recipient of a service. Therefore, it is really going to target that or it is going to affect that part of the society which is most vulnerable and which is going to use the service in a manner they require it for day-to-day use. Therefore, they will be very adversely affected. I am sure the Government which cares for the poor and for the common man, would certainly look into it in a different way.

Sir, Transaction Tax is something about which, I think, the Finance Minister said he has had open mind and he is looking at it. So, I would not like to comment on it but

[Shri Suresh Prabhakar Prabhu]

something like this is needed to be looked at. Tax is not charged on profit. This is irrespective of whether you have profit or not. The Transaction Tax will still have to be paid. So, actually speaking, it is a tax which is not related to profits. It should not be really in the Income Tax Act. But, in any case, it is something which really needs to be looked at. It is because a large number of people, particularly those traders who get their earnings on a day-to-day basis are deprived of a job only because this Transaction Tax will affect them. But I am happy that you are looking at it afresh, and we await your final response on this matter.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Sir, I am waiting for an opportunity to make a statement. I hope I shall get an opportunity on Monday to clarify the question of Transaction Tax. I have heard all of them and surely we will come back with a statement which satisfies every player in the market.

SHRI SURESH PRABHAKAR PRABHU: Thank you very much, Sir. I think your responsiveness will really be appreciated.

Sir, there are seven parameters which the Finance Minister mentioned in his speech. He said that the guiding economic principles for formulation of Budget are these seven economic parameters. There is no doubt that none of the Members in this House will question that. This is something which we really need to do. This could be a national programme of seven economic parameters but, unfortunately, when we go through these parameters, we have to find out whether each one of the parameters has been mentioned and whether budgetary provision, that has been made, meets the objective of this parameter.

The first one is that the Finance Minister wants to maintain growth of seven to eight per cent on a sustainable basis. This is most welcome. In fact, China has been having a growth rate or more than 10 per cent for several years. China's challenge is now to reduce the growth rate, our challenge is to increase the growth rate. How has China been able to increase their growth and why are we failing to do that? Still we are struggling. Just for the first time we have got more than eight per cent growth rate. What is the growth that we are going to achieve? How are we going to achieve it? That is the most important question.

Yesterday, one of my friends, while talking, said that the growth is not something which should be enamoured.

I do not know. The reforms decade is the decade of 1990s where the growth has been 5.8 per cent. The growth in 1970s was 2.9 per cent. So, the growth rate of 2.9 per cent became 5.8 per cent during 1990s. Therefore, how is this growth going to be attained? There is no spelt out policy. For example, last year, the growth was really attributable to 52.4 per cent increase in domestic demand; investment accounted for 25.6 per cent; and external resources accounted for 2.4 per cent. So, what is the challenge now? Are you going to create more domestic demand or are you going to have more investment? If you want more domestic demand to come in, there is no incentive to spur the demand. There is no incentive to make sure that the demand for goods and services will increase and will spur demand and, therefore, I would certainly like to know from the Finance Minister about this. In fact, he knows that China has now the exports of 500 billion dollars and it has an economy of almost 1.5 trillion dollars. If we want to achieve the growth rate of seven to eight per cent, which we all support, then how are you going to do that is a challenge and we would like to be enlightened on that. Besides setting the objective, there is no way that we can really make it happen.

The second objective is quality basic education and health care. Again, this is the proposition which we all support. We have given some slogans in the past and we have talked about education and health to all for a long time. Unfortunately, we have not really reached it. One of the reasons why this is not happening is this. We must find out the quantitative analysis as to why the health care services as well as the educational institutions are lacking. We can provide money. It is not a problem. Money is required undoubtedly and I welcome that there is an increase in the Budget for both. Unless we have such analysis on ground level situation, we cannot achieve it. All that is required has to be given at the same time. We have to have a classroom, we have to have a teacher, we have to have a blackboard and we have to have salary for the teacher. If we keep providing these on piecemeal basis, finally the service suffers and we are not able to get what we really want. Therefore, we must do this quantitative analysis. I would like to urge the Finance Minister and the Government to do this first. Providing money is a welcome measure but in the absence of that, we will really have this problem. Therefore, I would request them to do this.

14.57 hrs.

[MR. SPEAKER *in the Chair*]

In fact, in the last five years, the expenditure on both, education and health, has doubled. We have

identified the problem. Therefore, money is not an issue. The issue is health care, delivery system and educational dispensing system. Therefore, we really need to do that. In fact, I would rather urge the Government to come out with a White Paper as to how many schools and institutions do not conform to the type of quality that we expect from them. Then only, we will be able to achieve it. Probably, both the Ministries of HRD and Health should try to do this.

Unfortunately, India ranks 127th among the 174 countries, as far as Human Development Indices are concerned. Therefore, there is no denying the fact that we need more allocation, we need improvement in services but mere allocation without attendant challenge that is facing will not give the result.

The third objective is generating gainful employment in agriculture, manufacturing and services. This is again something on which nobody will be going to challenge. We have got 4,31,00,000 registered unemployed in the country today. Out of them, 70 per cent are educated. They passed 10 plus. Therefore, we must have the profile of those unemployed and then we must decide what type of jobs we can offer to them because if we just offer the jobs which the unemployed are not interested in, we will not be able to get them jobs. So, the profile of the unemployed and the type of job opportunities that we are going to create must match. Otherwise, it will not really be serving the purpose. We should not create mock jobs which is now popularly known as 'hourly jobs'. We should create jobs which are more stable and which will give more stability to the employees. Therefore, we really need to do this. For that, we must also keep in mind what the Economic Survey points out. It points out that there is a declining labour intensity in manufacturing. Therefore, we have seen more GDP and less job creation, and we have described this phenomenon as a jobless growth. How are we going to create more GDP and at the same time create employment? That is a challenge and we would like to join in that. You must come out with a policy as to how we are going to do it. Unemployment is going to increase by 1.9 per cent, and, therefore, Kerala is ... (*Interruptions*)

15.00 hrs.

#### REFERENCE BY THE SPEAKER

**Re: Mourning the loss of young innocent lives in fire accident at Lord Krishna School at Kumbakonam, Tamil Nadu**

*[English]*

MR. SPEAKER: May I interrupt you for a minute? I have a very sad news to communicate.

Hon. Members, the House is shocked to learn about the tragic fire accident at the Lord Krishna School at Kumbakonam, Thanjavur district in Tamil Nadu resulting in the death of about 75 children and three teachers. About 30 persons have also reportedly been injured in the accident.

This House deeply mourns the loss of young innocent lives in this accident and expresses profound sorrow on this tragedy. We convey our heartfelt condolences to the bereaved families.

The Members may now stand in silence for a short while in memory of the departed.

15.01 hrs.

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

15.02 hrs.

#### GENERAL BUDGET—2004-05—GENERAL DISCUSSION AND DEMANDS FOR GRANTS ON ACCOUNT— GENERAL, 2004-05—*Contd.*

*[English]*

SHRI SURESH PRABHAKAR PRABHU (Rajapur): They are saying that unemployment is going to grow by 1.9 per cent per annum. Then, the additional incremental growth has to be much faster because we have a backlog and we have more unemployed people coming into the market. Therefore, this is a challenge which we really need to see.

Shri Mohan Singh was mentioning about Kerala. Unfortunately, Kerala has the least growth in employment. The employment growth is .70 per cent, the lowest in the country. We must really find out why this is happening because Kerala has the highest social indices. Irrespective of that, they are not able to grow and create more employment that is required. Therefore, how should we be doing it? Is it probably because the economic policy that they have been pursuing is responsible or something else? That needs to be found. Despite having such good indices, we are not able to grow. Therefore, we really need to look into that.

[Shri Suresh Prabhakar Prabhu]

Sir, I would request the Finance Minister to study the experience of the Chinese wherein they grow in manufacturing, whether it is in footwear or in toys or in garment, a huge employment has been created which actually can counter this jobless growth. We will be able to create more jobs. For that, more incentives need to be provided. Unfortunately, we do not find a mention about that.

The other industry is construction where the multiplier effect is 1:100. Once that is created, we will have a tremendous impact, and this is what even the N.C. Gupta Committee of the Planning Commission had identified as one of the sectors where job creation can be high. Therefore, we really need to do that.

The Business Process Outsourcing (BPO) is another area, particularly when 70 per cent of our educated unemployed people are 10 plus educated. Therefore, they are the ones who are the right candidates for the BPO. Therefore, they can also be involved. Unfortunately, as you know, some of the BPO companies are facing tax problems in which the deemed income is sought to be taxed, and we need to remove such barriers so that more jobs can be created because India is no longer the only destination where the BPOs can be located. Therefore, we need to look into the other areas.

The other area, I think, should be the service exports—not just domestically. China's service exports account for 50 billion dollars. Therefore, I think that is another area which we really need to cover.

Then let me come to the third objective of promoting investment. Again there is something which nobody can find fault with. But what is the GDP composition that the Finance Ministry would like to have? How much of the investment would you like to make in services, in manufacturing and in agriculture in the next five years so that investment should grow? There has to be a clear strategy. I would feel that a clear strategy should be defined and spelt out which would really help us.

But, in the *Economic Survey* you have mentioned one thing. This is something which I would like to know. Do you think, for investment, whether it is a cause or a constraint? It says, "That some rigidities of labour laws are acting as an impediment to efficiently building large firms." Is this your problem? If this is identified as a problem in the *Economic Survey*, I would like to know what would be the response to that. Having done that, the capital expenditure this year is down by Rs. 20,000

crore. When we are spelling out as our cause for bigger objective of investment, Rs. 20,000 crore is a dot. In fact, the capital expenditure to GDP ratio has come down to 2.96 per cent from 4.05 per cent. Therefore, we really need to do this.

Again, if you want to promote investment, we will have to have savings. Otherwise, we will have to only promote investments through borrowings. If you want more savings, the saving rate of 24 per cent, in which case, the households should contribute the most. Of course, the corporates rank second. For example, let us take the household savings. If you want the households to save more, there is no incentive in this Budget to promote savings. If you do not have savings, how do you attend to investments? I will come to corporate a little later. When we are expecting more tax to be collected from the corporates, how do you expect that they will save more and at the same time they will also pay more?

This is something which is a contradiction.

Thirdly, the Government is a dissaver. How you are going to identify the areas of dissavings of the Government is also a challenge to increase the savings rate and promote investment. We see that there is a growing gap—it is pointed out in *The Economic Survey* but I would not take the time of the House by reading it out—between savings and investment. We are not finding that the savings are finding their way into something else and that all the savings are not getting converted into investments. Thus, there is a growing gap between savings and investments. We really need to look into how we could channelise these savings into productive investments and also look at why there is a growing gap between our FDI approvals and FDI disbursements. There is a growing gap between the FDI approval rate and the FDI disbursement rate and we would have to look into how to bridge that gap as well.

Earlier, when the hon. Minister of Finance was the Minister of Finance in the United Front Government, he had set \$ 10 billion as the FDI target. This year, the Common Minimum Programme has not mentioned about it. ...*(Interruptions)*

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I had said, 'three times'.

SHRI SURESH PRABHAKAR PRABHU: I know that but it is not mentioned clearly. Probably a quantification was not deemed necessary because it is too high an

objective. We really need to look into how we are going to achieve that.

Another interesting aspect which I think the hon. Minister of Finance, should look at is the bank deposits, which is a source of savings. There is a growing increase now in demand deposits. They have grown by 30.3 per cent last year but the time deposits have declined by 15.3 per cent. Therefore, we do not have long-term investments. We must have some provisions to make sure that we would be able to create more long-term tenable savings.

The fourth objective is the objective of providing hundred days' employment to one member in each family. How much is the amount required for this? One estimate made by an economist says that the amount required for this is Rs. 50,000 crore to Rs. 60,000 crore. I would be very happy if you say that it is going to be done at a lesser amount; but if it is going to be the amount that I stated, how much is the amount that you have provided? In fact, for rural development, the provision is Rs. 1,1456 crore this year while the provision for rural development last year was Rs. 15,519 crore. This year, the rural development provision has come down by Rs. 4,000 crore. When it comes to rural roads, 1.6 lakh habitations require road connection. The money required for that is Rs. 1,30,000 crore but unfortunately there is any hardly provision for increasing the allocation here. Of course, I know that part of the money for rural roads comes from the diesel cess that is collected but besides that providing rural road connectivity has employment generation capacity and therefore it should be done.

If the hon. Minister of Finance was actually thinking of coming out with hundred days' employment in a year for our youths, he could also use the water programmes. Water programmes like desiltation could be linked to the hundred days' employment scheme so that at the same time we would be able to create employment and also solve the problem of scarcity of water in many areas. Unless we come out with programmes like this, we would not be able to achieve this objective.

The allocation for the KVIC is welcome but I would like to bring to your notice that the measure that has been initiated would probably unintentionally affect the match box company located in Maharashtra. My friend in whose constituency the company would be affected is not here. The workers have sent a representation that they would be severely affected. ...(*Interruptions*)

SHRI MOHAN SINGH (Deoria): It is only for Shivkashi.

SHRI SURESH PRABHAKAR PRABHU: It is not dereserved and as a result this company is likely to close down. The workers would be rendered jobless. I am sure, my friends from the Left parties would be very much concerned about this.

MR. SPEAKER: You can also mention about Wimco.

SHRI SURESH PRABHAKAR PRABHU: Under the Sampurna Gramin Yojana, this year, 100 crore mandays' employment was the target. Last year, the allocation was Rs. 9,639 crore for this programme. This year, it is Rs. 4,590 crore.

The other day, the hon. Minister of Finance was explaining to Shri Rupchand Pal that he should compare BE with BE and not RE with BE. In his own Budget speech, when he talked about the revenue deficit, the hon. Minister had talked about the deficit as compared to the revised figure. So, obviously, when you are taking the revised figure and going scheme by scheme, comparing the RE with the BE is also inappropriate.

I have to state that he would not be able to create hundred days' employment without making adequate provisions. You must keep in mind that the employment growth from 1994 to 2000 was 1.07 per cent while employment growth during 2000 to 2002 was 2.07 per cent. This is the figure given in *The Economic Survey*. Obviously, this is something which has been corroborated and therefore I am using it.

The fifth objective is achieving growth in agriculture. We all strongly support it. Agriculture is the most important economic activity in this country. Ours is still an agrarian economy. Though we have only 24 per cent of GDP from agriculture, more than 60 per cent people are living on it. This is the root cause of poverty because sixty per cent people share 24 per cent revenues whereas 40 per cent people share the remaining 76 per cent of revenues. So, an increase in allocation for agriculture is most welcome.

What is the strategy? What is the new deal? The new deal is repackaging of the old scheme. I welcome to what you have done. The excise relief is most welcome. We welcome it. But Gross Fixed Capital Formation is now 1.3 per cent of the GDP. So, in spite of this, it is not there.



[Shri Suresh Prabhakar Prabhu]

When we are talking about doubling of credit.  
...(Interruptions)

MR. SPEAKER: I hate to interrupt your most beautiful and important speech to ask how long you will take. I just want to know.

...(Interruptions)

SHRI SURESH PRABHAKAR PRABHU: Sir, I need some more time. I have just come to agriculture. It is most important and closer to your heart. So, please give me some more time. ...(Interruptions) Doubling of credit when we are talking like this, there are four institutions through which the credit will be doubled. What is the situation of that? It is not the credit which is an issue. In fact, if you look at it, in the last five years how much is the credit that we have given.

15.11 hrs.

[SHRI VARKALA RADHAKRISHNAN *in the Chair*]

Now, I come to Kisan Credit Cards. There are about 4,14,00,000 Kisan Credit Card holders and how much is the aggregate credit. It is Rs. 97,710 crore as of 31.3.2004. So, credit is not a problem. In fact, in 1997-98, the credit was Rs. 32,000 crore and in 2003-04, it went up to Rs. 80,000 crore. So, is the credit a problem or the credit delivery mechanism a problem? The real problem really lies in the credit delivery mechanism. In fact, I will tell you that there are four institutions through which we give this credit. One, we try to give this credit through the cooperative mechanism. The cooperative banks are now under the Land Development Banks. Most of them are under liquidation. The District Central Cooperative Banks, 143 of them, are under Section 11(1). Now, State Cooperative Banks, seven of them, are under Section 11(1). When you take primary agricultural credit societies, there are 40,000 out of one lakh which are defunct and, therefore, which is the credit mechanism which we are going to take it there is a challenge.

If we talk about RRBs, which you mentioned, I welcome that you want to now make the sponsor bank responsible, which is the right approach. But 14,500 rural branches have given only eight per cent credit instead of 25 per cent. Therefore, where is the mechanism? The Vyas Committee had identified it. There is no mention about Vyas Committee. In fact, this could have been acted upon immediately. So, the problem in the rural credit is not something of availability. Its availability to the farmers is a problem, but not availability or increasing

outlay here is a problem. Actually, disbursement is a problem. Now, you have said to make a Task Force for looking into the cooperative structure. In fact, there was a Committee, Kapoor Committee was appointed and there was a Vikhe Patil Committee, which had gone into it. They had already identified Rs. 15,000 crore which are needed to cure this problem. Now, the amount must have gone to Rs. 20,000 crore. So, when we have a problem where there is a bleeding taking place, we do not appoint a Task Force of doctors. We actually do the surgery. So, what is required is the urgent surgery. I would request the hon. Minister of Finance and the Government to do this surgery because the farmers are committing suicides and, therefore, we really need to take an urgent action. They are not committing suicides because they are not getting credit. In fact, they are committing suicides because the loans that they have already taken, they are not able to service it. So, the challenge is to increase their purchasing power and increase their income. Therefore, I am sure, you must be able to do that. I request the hon. Minister of Finance to look into that.  
...(Interruptions)

MR. CHAIRMAN: One thing I have to do is to request you to conclude your speech.

...(Interruptions)

SHRI SURESH PRABHAKAR PRABHU: We need an approach of 'Farmers Club' for every village. That would be the club formed by the farmers themselves. In my own constituency, I have created such Farmers Club for every village. This can be started not only at low cost but also at zero cost operation wherein the people themselves do it on a self-help basis and this is something which we really need to do.

The next point is infrastructure development. We all agree on this. But power is one of the major infrastructure constraints for the country today. What are we really asserting? We have decided to review the Electricity Act. Probably, the review is complete because the hon. Minister of Finance has now provided some fiscal benefits for the unbundled entities. So, probably, I am happy that it is completed. I have, in fact, presented a Bill to this very august House, Electricity Bill, which was debated by amongst the large number of people because it is the outcome of a large consultation and, therefore, I think, it will be done.

The Inter Institutional Group that you have is something, which I have got a personal experience as to how it is useful. I am sure, it will definitely be helpful.

But it needs some support from the Ministry of Finance because unless you have an institutional support like this, it will not help.

There is one suggestion. You please also offer some support to renovation and modernisation of the existing power plants. They can create ten thousand capacity within the shortest possible time with almost no investment and the addition can be fast. So, probably, providing some fiscal incentives for renovation and modernisation of existing power plants will go a long way in improving our power position.

Accelerating Fiscal Consolidation Reform is one of the objectives. There is nothing wrong with that. But about FRBM, which you notified on 5th July and three days later you have said when you presented the Budget to this House that you are now going to amend it.

Therefore, Sir, if you want fiscal consolidation, three days after it is modified you are going to extend by one year the deadline for actually attaining the objective. How is it going to be done? I would really request you to clarify this. I have three points on this. How much is going to be the fiscal deficit as a revenue deficit for this year? This is what is projected here because this has three important points. How much is the growth in GDP because that will determine in reference to the GDP how much is the revenue deficit and what percentage of the revenue deficit and for that we need to know the GDP growth.

The Reserve Bank of India projects 6.5 per cent growth in GDP. Is this the growth that you are contemplating? Secondly, on revenue, how much is the revenue? The corporate taxes are going to be increased and the projection is 40.4 per cent, in services it is 70.4 per cent and in income-tax it is 26.4 per cent. If this is what is projected as a revenue, then how much is the GDP growth? The actual deficit, fiscal as well as revenue deficit, will depend upon this as well as the expenditure. Therefore, I am sure that you will be able to look into that while replying to the debate.

I have one point on guarantees. I am happy that you have already mentioned in the Fiscal Responsibility and Budget Management Act that you will have to restrict the guarantees. I would request the Government to come out with a new idea of giving complete details about guarantees provided, about the losses of the special purpose vehicles which are guaranteed by the Government and also the losses of the State Electricity Boards which will finally, if not calculated with the fiscal deficit, have an impact on fiscal situation of the country. So, when you

are talking about the fiscal consolidation, these issues also must be kept in mind. Therefore, you really need to do that. Several States were given guarantees ten times more than their probable revenue of the year. Therefore, with such a situation, we really need to do that.

Regarding VAT, there are some concerns which have been expressed. I am sure that you will take them into account. For the integration of services and manufacturing, VAT is a welcome thing. Probably and eventually we will move towards a State and Central consolidation also in that. I am sure, you will look into it.

You have not made any provision in this Budget for exchange fluctuation. You normally make provision for exchange fluctuation for IDBI, for ICICI etc. But there is no provision here. With this, is the hon. Minister of Finance trying to say that the rupee is going to appreciate and not depreciate? Is it something that you are trying to say? This is something which we would like to know as to what is the trend of the rupee going to be because there is no provision for this year in this Budget for rupee fluctuation.

Reforms are something which is an objective. I am very happy that my friends in the Left Parties are also supporting the reforms. They have been mentioned it in the CMP. We would like to know what is the reform, what is really meant by this so that there is no confusion, there is no ambiguity about this. What is the position that is going to be undertaken? If you are really coming out with that, we will be very happy to know that. We will look on to that.

This national registry for all citizens in a welcome thing. In fact, I would request that it should be integrated with the accounts of the country so that a lot of black money and a lot of accounts which are not properly maintained, not properly mentioned will automatically get addressed to. Therefore, this national registry should be linked with that. I look to that.

Sir, I am winding up. Higher and more efficient fiscal devolution is another objective. The objective is laudable. More devolution is really required. But, unfortunately, what is the situation? In this Budget there is, actually speaking, no real allocation increase for the States. So, the States get loan from the Central Government. I can understand that there is some incremental cost. But the differential in the cost of loans that is given and the interest rates that the States have to pay to the Central Government is sometimes as high as three per cent and that is putting

[Shri Suresh Prabhakar Prabhu]

out an unbearable burden on the finances of the States whereas 87 per cent of the State finances' amounts are now used for consumptive expenditure. Therefore, you really need a repairing of that.

On the Backward States Commission which you are going to appoint, I would request you that it should be not said exactly 'Backward States Commission'. There are some supposedly forward States, but there are some backward areas, the pockets of under-development within these prosperous States. So, probably, the approach should not be Backward States Commission but it should be Backward Districts Commission which should go into the districts. In any case you are talking about devolution and you are talking about decentralisation. You have got a Ministry now created for it and Shri Mani Shankar Aiyar is going to look into the local self-government. So, why do you not look at how we will be able to make sure that these areas in which the backward districts, particularly the district from which I come from, are developed?

Sir, this is my final point on water. I have to drink water after this! So, let me talk about water. This is the most welcome initiative that you have said that you want to come out with water bodies to be used with traditional knowledge. I would request the Government that it gives an impression that it is going to solve the water problems of the country. It will solve it in a great way. There is no doubt about it. It should be done and try to exploit fully. But what is the limitation and what is the potential of this programme? I would request you to please enlighten the House so that we will all know how much is the problem of the water which can be solved by recharging some of the defunct bodies. This is the most welcome thing. I appreciate it. At the same time, it should be done. For that I would give you a small suggestion and I will wind up my speech with that. If you really want to do recharging, you must first survey all these villages with remote sensing to find out where are such areas, where are such water bodies which can be recharged.

Secondly, this could be put before the *Gram Sabhas* because the people in the *Gram Sabhas* themselves know, and not the officers who are going from outside the villages, which are the water bodies which can be re-charged. Certainly, we need to make sure that this is integrated with the people of the country. If they are going to do it in an integrated manner, this will definitely help to solve some of the water problems of India, which is welcome.

Sir, I thank you for your patience and giving me time to speak.

SHRI P.K. VASUDEVAN NAIR (Thiruvananthapuram):  
Mr. Chairman, Sir, I am supporting this Budget. My understanding is that this Budget is welcomed by large sections of people in the country.

After the elections, there is a big change in the political scenario and people have great expectations. This Government, which is supported by the Left Parties also, has aroused such expectations. In the Budget, there is a re-orientation, compared to the previous Budgets of the NDA Government. There is a change in direction. That is why, we welcome it. The emphasis is now on the regeneration of the agrarian economy, of the small-scale and traditional industrial sector so that more employment is created and the weaker sections of the society are taken care of.

In the name of reforms, the NDA Government had plunged the country in such a miserable situation. I do not want to go into the details of it. One feature of the present agrarian economy is that suicides are being committed by thousands of peasants in many States. In Andhra Pradesh the number is the largest, but there are many other States where this is happening. So, this is a national phenomenon. That is why, I say that during the last five or six years of NDA Government, the economic policy of globalisation, liberalisation and privatisation that was followed unscrupulously—I should say, without any consideration for the common man, for the agriculturists, for the poor man—has landed our economy in a very miserable, critical situation. This phenomenon of large-scale suicides by peasants is the result of that kind of a crisis. Now, this Budget has tried to take a different turn to have a re-look at the whole situation, and the priorities have changed. That is why, we welcome it.

Now, it is a fashion for some people to say, when such Budgets are prepared and presented, that the framers of the Budget are resorting to populism. Populism is considered to be something in favour of the common man, and the common people. It is a criticism of the Budget. What does it mean? Actually, we, from the Left, always raised the issue of reforms and said that it is all right, but for whom? We have said that the issue of development is all right, but for whom, and for whose benefit? Who should be the main beneficiaries of all this? This question was always ignored in the name of reforms. Production, productivity and creation of wealth alone will not help the people. We, of course, welcome a populist

approach. Our hon. Prime Minister has characterized populism as economic reforms with a human face. But I would like to emphasise here that whatever you do for the people, for the workers, for the peasants, for the common man is not a charity to them. They are the creators of wealth and they deserve it. It is their right.

It was made clear by my colleague from the CPI (M) last time that we, the Leftists, are not against reforms. But what kind of reforms are we referring to? What is the end result of the reforms? Who are going to be the actual beneficiaries of the reforms? That is where we underline our anxiety, and that is the basic difference. So, when we have our reforms, the productive forces would be unleashed, and workers, peasants would be given what is their due, and that is all. It is not a charity for them by giving them some crumbs. Sometimes, when you mention populism, you mean that you would give them some crumbs. No, Sir, our understanding is not like that. Of course, I do not know whether the Congress, Shri P. Chidambaram, or Ministers like him will share my views on this aspect, but this is our understanding.

Now, what is the meaning of the election results? Of course, we could not have a proper discussion and evaluation of such an important and earthshaking event like the last elections in this House. It was because the Motion of Thanks on the President's Address could not be discussed. During the period, the House was always in turmoil, and even now the situation almost continues to be like that. So, there was no scope for such an evaluation, but it was a very important aspect.

Now, our view is that this election result shows that the economic policies pursued by the NDA Government were rejected by the people and rejected by the country. Of course, there are other aspects of the NDA Government's policies like communalism and all that, but I am not dealing with those now since we are discussing the Budget. I think we should understand it. I do not know whether the friends on my right are able to understand it, and whether they are trying to honestly self-criticise and trying to find out whether they should correct themselves. This is a different matter, and it is left to them to do it. ... (*Interruptions*)

SHRI KHARABELA SWAIN (Balasore): Sir, I come from a poor State like Orissa. We have brought victory for the NDA. Do you mean to say that a poor State like Orissa rejected the economic policy of the NDA Government?

SHRI P.K. VASUDEVAN NAIR: My dear friend, I have very little time with me, and that is my difficulty.

So, it was a rejection of the economic policy of the BJP Government because that policy was anti-worker, anti-farmer and anti-people.

MR. CHAIRMAN: Shri P.K. Vasudevan Nair, as you are not going to conclude today, you can continue your speech on Monday. It is now time for taking up the Private Members' Business.

15.30 hrs.

## PRIVATE MEMBER'S RESOLUTIONS

### (I) RE: Reservation for SCs/STs and Backward Communities in Private Sector—*Contd.*

[*English*]

MR. CHAIRMAN: Let us take up item No. 16. Shri A. Krishnaswamy, who was on his legs last time, can continue his speech, which was inconclusive. He is not present. Now, I give the floor to Shri Madhusudan Mistry.

SHRI MADHUSUDAN MISTRY (Sabarkantha): Sir, thank you very much for giving this opportunity to speak on the Private Members' Resolution on job reservation for SCs/STs and Backward Communities in private sector and in the Government.

At the outset, let me just say that as a person, I am in favour of it. I feel, for a number of reasons, that the people should be provided that opportunity in order to lift themselves economically. I have also articles with me written by experts and other writers of this country overwhelmingly opposing the very idea that this UPA has propagated, agreed and, in fact, has included in CMP, that is, to have the job reservation in the private sector. I want to say something to all those who want to oppose it.

[*Translation*]

Means of production, from which we can produce some wealth are in the hands of few people of the Society since the caste System has been adopted.

[Shri Madhusudan Mistry]

[English]

It is not with everyone. There are sections of the society which lack these means of production. The lands are not in their names, they do not have capital and they are asset-less people. Even if you consider the skill. ...*(Interruptions)*

[Translation]

SHRI RAMJI LAL SUMAN (Firozabad): Mr. Chairman, Sir, it is time for the Private Members' Business, its 15.30 hrs. Mistry jee can continue his speech on Monday.

SHRI MADHUSUDAN MISTRY: I am already speaking on the same subject.

SHRI RAMJI LAL SUMAN: Has the discussion on this item started? Pardon me!

SHRI MADHUSUDAN MISTRY: Your attention is somewhere else. I am speaking on the same subject. I am not speaking on the Budget. On Monday I will speak on the Budget.

I would like to explain the root-cause of this problem. Now, please listen to me. Even the skilled ones that can be counted as an asset, the entire section of it belonging to the SC and ST Community which is responsible for the production, what has been their living condition?

[English]

They have always remained dependent on certain sections of the society, which have the means of production in their hands. They in their houses work as domestic servants and as a result, it has stopped the upward mobility. They have remained, more or less, at the bottom of the society. The job reservation, in fact, even in the Government, gives them economic freedom, besides recognising them as human beings and providing equal opportunities. It provides them an opportunity to lift themselves up from the bottom of the caste hierarchy and we have witnessed,

[Translation]

We have witnessed that when a person belonging to the lowest strata finds some access to regular income, his/her area of freedom vis-a-vis the other sections of the society gets stretched a bit and he is on his way of being independent.

[English]

He is no longer dependent on those sections of the society within his village or city who provide him work because work is already available to him and he is financially independent now.

[Translation]

In the whole set of circumstances the element in reservation in jobs should be looked as providing assets to them.

[English]

We should look at it not only as a means of providing an asset or resource to them to earn money and feed themselves but also as an opportunity to make them economically independent.

I have seen in many parts of the country that once a person gets a permanent job, he is assured of a certain amount of income every month. There is surety of income for him. Because he has an assured income he can plan his family and he can send his children to school. Those children can get good education. With that good education they can get into better jobs and their income increases. With that increased income, they can send their children to good schools and provide them better education. In the process, reservation in jobs provides upward mobility to the lower sections of the society, SCs and STs specifically, in order that they compete with the other sections of the society both financially as well as intellectually.

Denying this facility to SCs, STs and other backward sections of the society is denying them the opportunity of upward mobility, which will be quite detrimental to our society where caste system is so strong even now. Even though we have laws which forbid observance of caste system, the system is still prevalent in the rural India. Even though you have good education, even though you are financially sound, you are discriminated against in most parts of the country based on your caste. It has something to do with the mindset. I do not know what could be the root cause of this but there is a kind of hidden segregation which people feel, a hidden discrimination, in the behaviour of people when people go out in the job market. They always find this sense of segregation and discrimination. People would not be explicit and saying it but certainly you can make it out in their behaviour.

The point that I am making here is that reservation in jobs provides upward mobility to SCs and STs so that they can establish themselves on par with the other sections of the society. I am also deeply concerned over the reports that people are coming out in the open in favour of denying this in the private sector.

SCs, STs and other poor people constitute a large chunk of the society. They pay huge sums of money to the State exchequer every year in the form of various taxes. I will come to that latter. I would like to draw the attention of the House to the fact sales tax and excise are the two major components of the income of various States. If you try to find out who ends up paying more of sales tax and excise, you will come to know that it is the poor in general and SCs and STs in particular who pay more because of the sheer size of their population. Because of their numbers, their buying capacity is much more than that of any other section of the society. As a result, they end up paying more money to the State exchequer.

If you look at the distribution of this, then it is the service class which get the largest share. Same is the case with other development projects and so on. I would like to deliberately repeat this. Entire planning goes by assets. It goes to those who have an asset. Land is an asset. Entire planning, subsidy is concentrated on assets. Since SCs & STs have very little asset, they do not get their share from the distribution. They have no skill with the result the targeted development, their uplift by way of self-employment and other things remain minimum or the schemes targeting them are less implemented. They get very little share out of that and as a result they end up themselves employed only in unskilled jobs, either as agriculture labour or domestic hand and so on. It does not allow a kind of upward mobility. A domestic hand, scavenger or cleaner will end up in the same profession and a child of the cleaner will also end up as a cleaner. Denying this opportunity to them in the future would be very detrimental.

You would realise that most of the jobs in the public sector has declined because of the disinvestment process in the past five or six years. Selling of public sector units has ultimately declined the number of jobs and jobs which were meant and reserved for SCs and STs. On the one side because of reform process the opportunities for getting a job for SCs and STs are getting declining. On the other side, with the State investment, State subsidy and State encouragement, the private sector is coming up in a much more bigger way. ...(*Interruptions*)

MR. CHAIRMAN: Time allotted to this Resolution is more or less over. But there are many speakers on the list. If the House agrees, we can extend the time by half an hour or one hour. Sense of the House will have to be taken.

SEVERAL HON. MEMBERS: One hour.

MR. CHAIRMAN: The time is extended by one hour.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUÉ): It is a very important subject. Let it continue. You should allot more than one hour.

MR. CHAIRMAN: It is not going to continue forever. It is only extended by one hour because there is another Resolution which will have to be taken up. We will have the discussion for one hour more. Last Friday also, we had a discussion on this subject. This is the second day we are discussing this very same subject. We will have to conclude within one hour.

SHRI MADHUSUDAN MISTRY: Private sector is trying to thrive with the subsidy and with the help of the Government. They take subsidies from the Government. They take tax benefits from the Government. They take certain things from the State. Now private sector is thriving. Public sector is more or less going down as a result of job reservation and job opportunities are being declining especially for the SCs and STs. We all know that there is always a hidden bias and discrimination. Even if I am a very efficient person and if I go for an interview and get through, there are persons who are sitting there show bias in selecting a candidate. If there had been no job reservation in the Government, I have my own doubt as to how many from the SCs and STs would have been in the Government itself because it is only the reservation which protects them.

MR. CHAIRMAN: Please conclude, there are about 12 speakers. We have only one hour. Be kind enough to conclude your speech.

SHRI MADHUSUDAN MISTRY: I am just completing my speech. The entire kind of phenomena prevailing in the private sector is becoming bigger.

With the kind of phenomenon that is prevailing in this country where the private sector units would be coming more and more, I feel very strongly that there should be job reservations in the private sector as well, because these private sector companies take all the benefits from the Government. I am of the opinion that those industries which are taking any kind of benefit from the Government must have a job reservation in their industries. There should not be any kind of bar where a caste is doubted that 'if you have a reservation for SCs and STs in a private sector, the performance will be far below on that job, the private sector will suffer and that there will be inefficiency as they would not be competent enough and fulfilling the criteria.' I very strongly feel that all those apprehensions should be wiped out and SC and ST persons should be given the opportunity. A person

[Shri Madhusudan Mistry]

will learn a lot when he is provided an opportunity. So, they should be provided opportunity in order to create an equitable society especially in a country like ours which is based on equality and social justice.

Sir, I, therefore, very strongly feel that there should be job reservations in the private sectors as well. In this regard, the Government must legislate. Those industries which are seeking the help of the Government in one way or the other, which are getting tax concessions and all that, should all comply with the job reservations for SC and ST people. I think, we owe to the poor people belonging to the SC and ST category of this country that they should be provided opportunities to have an asset, which is a job in itself.

Sir, they do not have land. The land reforms are, in fact, not being implemented in many parts of the country. Many State Governments are not keen in implementing the land reforms. As a result of this, a large sections of the people belonging to the Scheduled Castes and Scheduled Tribes remain as agricultural workers and in the lowest section of the society. They fall into the category of below poverty line in the entire country. But as per the Constitution of this country, they have the right to demand their right to jobs.

I very strongly support this resolution and I feel that it is necessary to have the job reservation in the private sector. With these few words, I conclude.

MR. CHAIRMAN: Now, Shri A. Krishnaswamy. I called your name earlier, but you were not present. Please finish your speech within two to three minutes.

SHRI A. KRISHNASWAMY (Sriperambudur): I will be very brief, Shri.

I welcome this resolution moved by Shri Ajay Kumar. It is a welcome measure.

There is a huge unemployment in the country because of population growth and also because of the disinvestment policy. A large section of the people belonging to the Scheduled Castes and Scheduled Tribes was having a huge apprehension about their employment due to the disinvestment policy. Everyone lost the hope of getting the job in future.

Not only that, people belonging to SC and ST category are very much worried about their certificates. In the State of Tamil Nadu, people are getting the Scheduled Castes certificate for Rs. 500. If a person pays this money, he gets the duplicate certificate. So, people from the upper caste, people who are rich, by utilising these certificates, go and get the opportunity to get petrol pumps, gas outlets etc. So, in real terms, the people who are entitled to have such benefits are being deprived of their rights.

In the Government and State administration, for the last more than 40 to 50 years, people are enjoying the reservation. In some ways, they have established themselves. They have grown up economically.

Madam Meira Kumar is present here. In Tamil Nadu, thousands of the Scheduled Caste and Scheduled Tribe people are employed at the Heavy Vehicles Factory. We did a lot for their economic and social upliftment. Moreover, we installed a statue of Babu Jagjiwan Ram at Avadi. We have the courage and privilege in the country. Without even that privilege or right, how will we establish our future? That would be a very difficult thing for persons belonging to SC/ST categories. Even today most of the private companies, the multinational companies recruit persons below 21 years of age. A boy or girl from SC/ST communities cannot compete with other community people. In the Government of India, we have a privilege or a right to get jobs till 35 years of age. From our own experience we have seen that.

We have the Hyundai Car Company in Sriperambudur; I used to recommend SC/ST boys and girls to that Company. But the Company's management is not accepting because of their age. They say that they need persons who are below 21 years of age. In the Government of India, we recruit people till they attain the age of 35 years. So, there is a huge difference of about 10-14 years. How is it possible? That should be looked into.

The SC/ST and OBC people work in villages. There are very many programmes for them. Even our Finance Minister, Shri Chidambaram told that he would provide 100 days of job in a year. How is it possible? If you take even SGRY Programme, the persons who are taking the contracts are doing work with the machines and there is no necessity to employ manpower. How is it possible to employ SC/ST persons in villages?

We have to see the conditions in qualification for admission into engineering colleges. It is very difficult. We have to pay captivation fees; we have to make contributions like donations. How would a poor SC/ST boy get his education and how would he be in search of a job, within 21-22 years of his age? This matter should be looked into by the Government.

Moreover, people belonging to SC/ST are not getting loans. In the Budgets, we are allocating thousands of crores of rupees for loans, to be given to SCs/STs. But we do not get loans very easily. For obtaining loans, we

have to give collateral security. You have to see how could these people give collateral security. What property do they have to give collateral security? So, this is the right time that our hon. Minister takes this Resolution as a very important Resolution, and enacts a law. Then only, the future of these people would be saved.

[*Translation*]

SHRI RAMJI LAL SUMAN: Mr. Chairman, Sir, today this House is discussing on a very important resolution. First of all, I would like to express my heartfelt gratitude to Shri S. Ajaya Kumar for presenting a very timely resolution in the House. The new government had also expressed its commitment to bring a Bill regarding reservation in private sector. To my mind, that way too, the debate in the House is very important because government will be able to know the spirit of the House before the Bill is introduced. We, who represent the whole of the country in this House and represent various political parties, what is our view about the reservation in the private sector? I think, this resolution will form basis of introduction of that Bill and through this House, the Government would be able to understand the sentiments of the people. Honourable Minister Smt. Meira Kumar who is incharge of this Department is sitting here, she will understand it. Certainly, this is a good work.

Very humbly I would like to submit that in so far as the issue of reservation is concerned, the crude and practical implication emerging out of it is that our country has caste-system and the Dalits have always been exploited and have been subjected to harassment since very long time in the name of caste-system. The people belonging to backward sections have been ignored. The provision of reservation that was provided with the sincere efforts of Dr. Baba Saheb Ambedkar straightway implied that the classes which are deprived, the section to whom justice has been denied and have been subjected to exploitation should be enabled to progress and come at par with the advantaged sections. In the beginning, the provision of reservation was made for a period of ten years—but after ten years. Parliament again reached the broad consensus that it should be allowed to continue in the forth coming years also as there has not been much improvement in the status of the Dalits. There was a basic concept behind the provision of reservation and I am sorry to say that the purpose for which the reservation was provided in our country has not been fulfilled. I wish to be forgiven. I do not want to criticise any particular party for this situation. This is an issue linked with our thinking. I do not want to limit it on party-lines. All the

same, I would like to say that justice must be done to the persons belonging to the deprived and unprivileged section of society. Last time on Friday out of those Members who ventured into it, I had the opportunity to hear Prof. Rasa Singh Rawat's speech and he said that reservation apart, we should embark upon the practical viewpoint and at the same time we must take their qualifications and experiences into account. This is fairly true that we should take qualifications and experiences into account but also see that equal facilities and equal opportunities be provided to them. Whereas we can early get admission by paying donation of 25 lakh to 50 lakh rupees in any school, medical college, engineering college in private sector. Can any dalit afford to become a doctor or an engineer despite having required talent. Regarding efficiency, I would like to request that there should be an open competition since a competition is always between the equals. After all how can those people rise in life who do not get opportunities? There is a poem in English by Thomas Gray "Elegy Written in a Country Churchyard". The gist of the poem is that there are many talented persons in the society who could not rise in life because of lack of proper opportunity. I would, therefore, like to request while talking of efficiency and calibre we should also talk of facilities. We should also talk of the facilities that we have provided to them. It is the misfortune of the country about 87 per cent students give up their studies before they reach intermediate. It doesn't mean that their parents. ...(*Interruptions*) Meira Kumar Ji, you please listen to me. I was saying that 87 per cent students give up their studies before they reach intermediate.

16.00 hrs.

It doesn't mean that their parents don't want to educate them. But their poor financial condition doesn't allow them to do so. It is a general truth that most of the socially backward people this country are also economically backward. Their parents cannot provide them better education despite their utmost desire of providing education to their children. Where will they find jobs even if they manage to get good education. Please, think over all these things seriously. I would like to ask Shri Rasa Singh Ji as to how they can rise in life without having any training, education and without having any opportunity for entry into the private sectors.

PROF. RASA SINGH RAWAT (Ajmer): All should be provided equal opportunities.

SHRI RAMJI LAL SUMAN: That is what I am saying. If it happens so, I can say it confidently that the backward class people of India will prove that they don't lack in



[Shri Ramji Lal Suman]

talent, they are inferior to none and they are capable of securing number one position in the country. History has been the witness of this fact. It was Dr. Ambedkar who framed the constitution of this country. And he had proved it. I too have been the Minister of Labour for some days. Babu Jagjivan Ram held many portfolios of Ministries in the Government of India. He had been the Minister of Labour too. It is known to all that no other Minister could surpass his efficiency. Whenever the downtrodden have got opportunities to prove their talents, they have done so. There is a big precipitation in the private sector people. Industrial world is very disturbed and restless. It is talking of efficiency and talent. A great injustice has been meted out to the people of weaker section. Today, those people who are sitting this side, were in the treasury bench earlier. These people were disinvesting fearlessly. Both you and us used to ask them one question only for whom this disinvestment is being done after all. Whether the money raised through this process would be spent on Education, Health, Agriculture or it would be spent for improving the economic state of the poor people and what would be the use of this money ultimately, but no response used to be received. There were two basic concepts regarding the question of disinvestment. Firstly, the Government should make a commitment that the profit making Public Sector Undertaking would not be sold and secondly, the Government should tell as to how to utilise the money collected through disinvesting the PSU's. whether it would be utilized for making up the budget deficit or used for the upliftment of the weaker sections. The Government had no reply and this was the subject matter of great concern.

As I have pointed out the overall damage in this country has been caused due to the caste system. People can't understand the extent of damage that has taken place in this country because of this. There are no nurses in the villages. In our villages, when the delivery of some mother or sister taken place, a lower caste women helps her in the delivery of a child and helps the mother in taking care of new born baby. When the baby become four-five years old that helping woman is not allowed even to touch the baby as the mother of the baby because he will become untouchable and tells her that her touch will make the baby desecrated, consequently she (mother) will have take bath with holy water. Similarly, the dalits are called for boring the well in the villages. When the water comes in the well they are not allowed to take the water from there. They are told that their taking the water from well will make it desecrated. Likewise, when the temple is constructed, the same dalit

is called and after the construction of the temple, he is not allowed to enter the same. He is the that his entry in the temple will make it desecrated. No other sin can be as bigger as this one.

There is no need to go far, there is Fatehpur Sikri in the city of Agra-Firozabad, from where I hail. There is the field of Khandwa there. In that very field, the battle between Babar and Rana Sanga war fought. In a nearby village there, some people were ploughing the field. People asked them on the one land, the prestige of the country was at state and the battle was in progress, on the other they were ploughing the field. They replied that the system in our country is divided into four categories. Brahmin, Kshatriya, Vaishya and Shudra. The dalit who was ploughing the field replied, we are to plough the field throughout our lives and as it is the task of Kshatriya to fight so what would we do there. Had the social unity of the country been strong, no power of the world would have defeated us. All this happened due to the prevalence of the caste system. There is a need for all of us to learn a lesson from all these things. There is a need to derive a conclusion from historical incidences. It's a very sad thing.

In the end, keeping time constraints in mind I would like to make one more request though much can be said on this issue. Today most serious problem afflicting the country is that of unemployment. Basically today it's a main reason behind tension in the society. Montek Singh Ahluwalia Committee and Second Labour Commission was constituted to tackle the problem of unemployment. Our former Prime Minister, Shri Atal Bihari Vajpayee made an announcement from rampart of the Redfort in 1998 that the Government will provide employment to one crore youths but they are still unemployed. Parents of the students spend their hard earned money to get their children educated but even after passing various examination they do not get employment. And finally, these youths are compelled to resort to wrong means. If the Government do not take up the issue of unemployment seriously it will become a very serious problem in the days to come. Through you, I would like to say that moving of this resolution in House has created turmoil in industrials sector. I would like to tell the honourable Minister of Social Justice and Empowerment, who is sitting here at present, that the people may criticise when we take some good steps but their is no need to bother about that. The actual need is that justice should be done to these people. I would like to remind in the House that it has been reported in the newspapers that the World Bank will oppose any move of the Government

to provide for reservation in the private sector. On the other hand, industrialists in the private sector think that they are wholly owners of these properties. They think that they are billionaires and trillionaire by birth and they are owner of all these properties.

Sir, I would like to add that it's a very serious issue. I feel that dalits and economically weaker sections of society have been facing injustice since quite long. The only way to undo it is—to provide them reservation in private sector also. I would also like to say that meantime there is a need to strengthen conventional industries. For example, take the case of shoe manufacturing industries in Agra. People carry shoes on their head like street vendors and they hardly earn rupees 300. The retail seller who buys shoes from him puts his own trade mark on the shoe and the same shoe is sold in Mumbai or Calcutta for Rs. 3000/- I would like to say that such poor people have no market to sell their products today. There is no protection from the Bank, nor the Bank provides loan to them. Today we are talking of providing reservation in private sector. In this context, I would like to say that there is a need to strengthen the people who are economically poor, scheduled caste, scheduled tribes and other backward classes and also to provide protection to the conventional industries and carrying out land reforms and also make these people self-reliant. This should surely be done.

Keeping time constraints in mind, I would like to thank honourable member Shri S. Ajaya Kumar who has moved this timely resolution in the House. When a Bill concerning this would be brought in the House, the Government would already be mentally prepared to face it and would have a ground to pass it. I would like to urge upon various political parties present in the House that as far as providing justice to dalits is concerned, the House should not stand divided and every one should support whole heartedly.

*[English]*

SHRI PRABODH PANDA (Midnapore): Sir, at the very outset, I must thank hon. Member, Shri S. Ajaya Kumar as he has brought a very important subject for discussion and has moved this very important Resolution in the present era.

Sir, so far as I remember, the discussion regarding recruitment of the Scheduled Castes, the Scheduled Tribes

and the backward sections of our country started since 1950s and since 1990s, the demand for recruitment of SCs, STs and backward sections in the private sector has gathered momentum, particularly in the scenario of globalisation, privatisation and liberalisation. In this era of globalisation, the private sector is coming up and improving like anything. There are even a lot of public sector enterprises in the States which are being privatised. So, the question of the policy of recruitment comes about particularly in regard to the SCs, STs and other backward sections. This is a very pertinent question. The UPA Government has emphasised this point very much and our honourable President, in his kind Address, has also covered this point. So, I am hopeful that the situation will improve.

But the situation now is very serious for two reasons. Firstly, downsizing continues everywhere, whether it is in the public sector or the private sector. In this scenario, recruitment is already frozen. It has already been stopped. So, in general, recruitment policy is in danger and particularly, the Scheduled Castes, the Scheduled Tribes and the backward sections are in more trouble.

We have witnessed incidents which happened in the case of recruitment by the Railways, the RBBs and the examinations held in Assam and we know what had happened there. We have witnessed the situation in Bihar. We have witnessed the situation in Maharashtra. For 3000 posts, I think more than six lakh people have applied and riots took place. There were clashes between the Assamese and the Biharis. In Maharashtra, it was threatened that no people coming from outside States will be allowed to appear in the examinations there and that Maharashtra is only for Maharashtrians. So, this is the scenario. So far as reservation is concerned, in most of the cases, the candidates at the centres keep in mind the question of regions. This point is coming up in their minds. So far as private sector is concerned, when they are going to recruit, they are first thinking about the regions and castes.

Number 2 is the present economic crisis, the socio-economic set-up of our country. Our State is a Welfare State. Without giving due share to the backward sections and without giving due share to the Scheduled Castes and Scheduled Tribes, how can this country come up as a real Welfare State? Justice and empowerment should not be confined just to the public sector units. What would be the policy in respect of private sector? From some corners, a question of Constitution has been raised about this. It is said that in this respect, there is a need for an

[Shri Prabodh Panda]

amendment to the Constitution in order to force the private sector to carry out the direction on reservation quota for the Scheduled Castes and Scheduled Tribes and backward sections. Total number of jobs in the Government as well as in the public sector undertakings are declining. In most Departments, both in the Centre as well as in the State, recruitment is already frozen and vacancies are not being filled up.

It is no denying that socio-economic inequalities have existed in our country for centuries and lately they have been increasing. Job reservation is one of the ways to minimise the inequalities, if not to wipe out the inequalities. But this point has not been adequately stressed so far.

So, I endorse this Resolution. I think the UPA Government will take proper steps in this regard. It is a very good proposal to have a dialogue with all political parties and all sections of the society for arriving at a consensus in this regard. I would like to request the Union Government, the hon. Minister in particular, to think over whether any amendment to the Constitution is needed in this regard in order to see that private sector authorities do not take any legal plea to avoid giving reservation in the private sector.

SHRI LALIT MOHAN SUKLABAIIDYA (Karimgani): Mr. Chairman, Sir, the matter is very important. It concerns millions of unemployed young men and women belonging to Scheduled Castes and Scheduled Tribes who are searching for jobs. These job seekers are squandering away their time and energy. We know there is a proverb which says that man is born not only with mouth but also with two hands. These people are not getting any job or work to do with their active hands in order to earn their livelihood. The result is that they are becoming depressed physically and mentally. They are losing self-confidence. Just now, my friend, the hon. Member who spoke before me, referred to our country as a Welfare State.

It is also there. Ours is a Socialistic Pattern of Society. In such a State, the benefit of national development must accrue more and more to the less-privileged class. Now, these people, who belong to the Scheduled Caste community, Scheduled Tribe community and the Other Backward Class communities, are less-privileged people. So, they must get more benefit from our national development. When these people are educated, trained for doing some odd jobs in the productive process, they have dreams in their eyes. But when they remain unemployed for a long time, they have

to pass their days in nightmare because they have responsibility. They come from the less-privileged class, the poor class. So, they have got the responsibility to look after their parents and the society also. But as they do not get any scope, only to them, suffering from poverty and hunger remains.

The hon. Member has moved this Resolution. I thank him for taking up such an important matter in the House. The reservation in the private sector may improve the conditions of the Scheduled Caste and the Scheduled Tribe people. But one point is there. If we do not increase the scope of employment, I think, reservation may not be fruitful. I say this because the employment scenario in our country is very poor and is decreasing day by day. I have got the statistics. Employment in the public sector in our country in 1999 was 194 lakh. But in the year 2002, it had deteriorated. Now, it is 188 lakh in the public sector. In the private sector, similar is the case. In 1999, it was 86.98 lakh, but in the year 2002, it was 84 lakh. So, it is decreasing day by day. What have we to do now? We have to do something. We have to take some strong action so that the number of posts can be increased. In my State, the position is very serious because in Assam, there was a growth rate of employment to the extent of 1.9 per cent up to 1999. But, after that, the erstwhile Government of Assam of yesteryears as also the Union Government, issued a memorandum through which they banned all the appointments. Thousands of posts were abolished. So, if we want to do something for our distressed people, along with all other unemployed people, we will have to find out the avenues; we will have to find out the scopes for increasing the employment. In my State, the order through which all posts were abolished, that should be withdrawn and all the posts should be restored there. For increasing employment avenues, I think, we have still our agriculture which is the largest sector of our country. I feel the agriculture sector is still unorganised. If we organise our agriculture sector, which is nowadays not behind the industry, I think we can increase the number of posts.

There are many States where the single-cropping pattern is there. People still practise the single-cropping pattern. If we convert the single-cropping pattern to double-cropping pattern, then, employment is bound to increase. Further, the labour-intensive small industries are there. If we encourage them, then, they can also absorb a large number of people. There are many other scopes available. So, we will have to find out how employment can be increased so that more and more people could be absorbed. Along with them, the people of our category,

that is, the reserved category, are to be absorbed properly.

Then, there is reservation for the Scheduled Castes and Scheduled Tribes in the Government sector, but I found that in many cases this reservation policy is not implemented in some areas. For example, there may be 20 or 25 per cent Scheduled Caste living in a particular area, but reservation for them in vacant posts of schools is given only to the extent of 7½ per cent. In some cases, if you see their merit, they should get more posts, but actually they are getting less posts. There is a policy that those who deserve to be selected to jobs purely on merit should be selected, but people who select them give only 7½ per cent of posts to people belonging to the Scheduled Caste. If you compare the Scheduled Castes and Scheduled Tribes, at least the Scheduled Tribe are getting full opportunities, as there are some States where Scheduled Tribe people get almost all the appointments but for the Scheduled Caste there is no much scope.

With this submission, I request the Government to implement reservation policy for the Scheduled Castes and Scheduled Tribes in the private sector also. If there are vacancies in the private sector, they should be filled up by introducing reservation policy in the private sector and whichever industry is helped by the Government and whichever institution is run by taking grant from the Government, all of them can be bound by the Government to implement this reservation policy.

With these words, I thank you once again for giving me this opportunity to take part in this debate and request the Government, through you, to take some policy initiatives in this regard so that the condition of these people can be improved.

SHRI B. MAHTAB (Cuttack): Mr. Chairman, Sir, I would like to submit that there is an important Resolution listed against Shri P.K. Vasudevan Nair which should come up after this Resolution. We have just an hour and 35 minutes to go before the House rises for the day. My point is that this is also an important Resolution and that it should be discussed. So, my request to you is that the next Resolution, which is in line, should be taken up today and subsequently when the House sits in the month of August, we can take it up and discuss it in great detail.

Sir, a number of hon. Members are participating in the debate on this Resolution which has been moved by

Shri Ajaya Kumar and it seems that it has become a one-sided game. I have a different opinion. Though I do not totally disagree with this Resolution, I partly differ with it. So, I would request that I should be given ample opportunity to express my views.

At the outset, I have certain reservations about this Resolution because of the phrases which are mentioned. Basically there are three aspects in this Resolution. It says that unemployment situation in the country has aggravated due to disinvestment. I do not agree with this. Nor do many of the Members. Then, it says that privatisation of public sector undertakings has also aggravated the unemployment situation. I do not agree with this also. There are different reasons behind the rise of unemployment.

Sir, it is a different debate altogether whether disinvestment is a necessity for this country or not. Then, whether privatisation of public sector undertakings has led to unemployment, that is also a debatable point. But the point which is being discussed today and to which I fully support is the reservation issue. The other aspect is, downsizing of Government services. It has become a necessity now. Should reservation policy be extended to the private sector or not, this is actually being debated today, but I do not fully subscribe to the reasons that are being put forth by hon. Member Shri Ajaya Kumar.

At the outset, I would like to remind this House that it was during the last NDA Government, that the then Prime Minister and our hon. Leader Shri Atal Bihari Vajpayee while addressing the SC/ST Members in Sansadiya Soudha categorically stated—this he had said in the month of December, 2003—'Today, an important issue has come up. If there is reservation in Government jobs, why not in private jobs?' This is the point and I think, the House should deliberate threadbare on it. Throughout the country it has to be debated and discussed.

He further said, 'An atmosphere has to be created for this. This discrimination has to be removed'. I think, all participants agree to this view. The NDA Government was seized of the matter. I would also like to mention here that he had also said, of course in Hindi, that, 'Reservation is the first step, the initial step. Reservation is a kind of crutch. If you are hurt in the foot, if you cannot walk well, then fine, walk with its help. But to mistake a crutch for a foot is wrong'. I think that explains in detail what reservation is and what reservation should be.

[Shri B. Mahtab]

This proposal is a sensitive issue and as we see today in this House and even outside the House, not a single political party is against or is averse to this move of having reservation in the private sector. But the business houses have reacted in a different way. Almost all the leaders of the business and industrial houses are opposed to the idea. They say that such a policy would affect the quality and creativity. I think, Shri Ramjilal Suman has very rightly explained the reasons why they are doing so. Others say that they are scared of foreign and domestic investment. I do not subscribe to this view. But I would like to draw the attention of the House to what has been stated by an eminent jurist, Shri Fali S. Nariman, who is also a Member of the other House. He has warned that the Government's plan to reserve jobs for SCs, STs and also for OBCs in the private sector is good in theory, but extremely difficult to implement and monitor.

Here, I have tried to get some information from our Reference Branch as to actually what is the position today in the public sector enterprises. We have a Committee for the last so many years especially to look into the provisions of the Constitution whether they are being implemented in its form or not. A number of reports are also being placed in this House. I came across a comparative report since 1971. It states, 'Reservation is in most of the public sector enterprises. In A and B Groups - 15 per cent for Scheduled Castes'. For Group 'C', the reservation was 15 per cent for Scheduled Castes. For Group 'D', the reservation was 15 per cent for Scheduled Castes, 7.5 per cent for four different classes of Scheduled Tribes and 27 per cent for Other Backward Classes.

But, what was the position in 1971? In 1971 for Group 'A' it was 0.52 per cent for Scheduled Castes. In 1980, it was 2.90 per cent and in 2002 it was 11.20 per cent. On 1st January, 2003, it was 11.75 per cent, which has not reached 15 per cent, nor has it reached Group 'B'. In Group 'C', there has been a marginal increase, that is 19.4 per cent in 2002. In 2003, it is 19.38 per cent. This is the position in public sector enterprises.

For STs this is not so, whereas it was supposed to be 7.5 per cent. Only in Group 'C' there has been an increase. There is no increase in Groups 'A' and 'B'. It has not reached the required strength which is reserved for Scheduled Castes in that respect. I am yet to get the report about the Other Backward Classes. We do not have a report on that. There is a Commission for Scheduled Castes. There is a Commission for Scheduled

Tribes. There is also a Commission for Other Backward Classes. The Parliament also has a Joint Parliamentary Committee which goes into the details. But the problem here is glaring. Who is going to monitor it if at all a law is implemented to have reservations in the private sector? I would like to know whether a Parliamentary Committee will go and find out as to how many jobs have been provided to the Scheduled Castes, the Scheduled Tribes and Other Backward Classes in the private sector? This reminds me because Shri Nariman has again stated: "I do not say that reservations in private jobs cannot be made by law but it would be troublesome to do that. It would be challenged in courts. It would be safer to do it by a constitutional amendment." I will come to that later on. But, even the amendments would have to be ratified by half of the States. It is a constitutional amendment. Reservation applies to public employment according to Article 16 (4A) of the Constitution. But it does not apply to private bodies. Government, however, has made provisions for reservations of seats in private educational institutions. Here certain digression has already been made. We can take advantage of it. But, at the same time we should remember that, a Constitution Amendment is required. What is this Article 16 (4)? It deals with public employment which empowers the State to reserve appointments or posts in favour of any backward class of citizens which, in the opinion of the State, is not adequately represented under the State. But the first Amendment of our Constitution deals with the reservation. It is the Constitution amendment in 1951 whereby Article 16 (4) was added after the judgement in State of Madras versus Champakam Durairajan case. Through this Article, the State could make any special provision for the advancement of socially and educationally backward classes of citizens or the Scheduled Castes or the Scheduled Tribes. These provisions form the basis of reservation policy for admission in educational institutions and recruitment in the public sector.

I would like to remind this House that one of the most contentious issues in public discourse today in India is the quota policy in favour of *dalits* and other down-trodden sections of our society. You would agree with me that all the educated sections of our society are divided on this issue of reservation on caste lines. Some are in favour while some are totally against. The opponents of reservation are likely to be caste Hindus who fear loss of opportunity while the supporters of reservation tend to be disadvantaged sections seeking more opportunities for advancement. The core issue here is providing opportunity. Some are in fear that they would lose opportunity; some are in support because they would

get opportunity because they have been denied opportunity for the last many years. The core issue is of opportunity. It is the Government which is going to provide opportunity. That is why I referred to the public sector enterprises where jobs are reserved but not filled up. Whether we go in for reservation in education or reservation in employment, the basic question is of opportunity. Who is going to provide that opportunity?  
...(Interruptions)

MR. CHAIRMAN: Without interrupting you, I would like to state that the social backwardness is the prime cause for denying opportunity.

SHRI B. MAHTAB: I fully agree with you. The backwardness of region, of areas, of rural and urban divide. ... (Interruptions)

MR. CHAIRMAN: Hon. Member, I do not want to disturb you but I have to state that the time allotted for this item is over. There are some more Members interested in participating in this debate. If the House agrees, we shall extend the time by a further period of one hour.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUE): Sir, we have a long list of Members who want to speak and the subject is also very important.

MR. CHAIRMAN: If the House agrees, I have no objection. If the House agrees, we shall continue for one hour more.

SOME HON. MEMBERS: Yes.

MR. CHAIRMAN: Shri Mahtab, you can continue now.

SHRI P.K. VASUDEVAN NAIR: Sir, I may be given time to introduce my Resolution if the time is extended.

MR. CHAIRMAN: The time is extended. Your Resolution will come up after some time.

SHRI PRABODH PANDA: Sir, he can introduce his Resolution now.

SHRI KHARABELA SWAIN (Balasore): Let him introduce his Resolution and then Shri Mahtab can continue. ... (Interruptions)

SHRI P.K. VASUDEVAN NAIR: Can I introduce it now? ... (Interruptions)

MR. CHAIRMAN: Shri Mahtab, you come to the point now.

SHRI B. MAHTAB: It is the Government which provides the opportunity. So, the onus lies on the Government to create opportunities.

The NDA, before the elections, in its manifesto, categorically stated that consultations would be started with the private sector on how best to ensure that injustice was not done to these communities. Similarly, the Congress-led United Progressive Alliance, in its Common Minimum Programme, has committed itself to 'a dialogue' with the private sector to ensure jobs for these communities. There is not much difference here. That is why initially I said that all political parties have agreed but persons who are outside the arena of political set up have different opinions. No political party today is in a position to say something against reservation either inside the House or outside. No political party is prepared or is competent enough to do that. The two combinations here, the NDA and the UPA, are of the same view, to have a dialogue.

This brings us to the final statement of the hon. Minister, Shrimati Meira Kumar. She has stated—she is also present here and is very kindly listening to my speech—that the Government has the authority to legislate and could do so at any time. But she has made it clear in her approach that she is for consensus first and legislation later, if necessary.

I would like to quote her from the *Business Standard*:

"Those who have to introduce reservations should accept it happily, treat it as something that comes from a conviction that injustice over centuries to a set of people must be righted.

I am not in favour of imposing anything on anyone. I believe in giving a chance to well-meaning people."

It is also reported and I quote:

"She had started talking to the chambers of commerce and would be meeting them over the next one week".

This has come out in the *Business Standard*. Madam, I am quoting you. We would like to be enlightened as to what has happened after that. This has appeared on 11th June, 2004 in the *Business Standard*. We would like to be enlightened what more has happened within

[Shri B. Mahtab]

about one month's time. Of course, convincing them is one aspect. You are competent enough to bring a Bill to make a law, but my opinion is that this is a short-cut method. It is the Government which has to provide opportunities and when you will be imposing and convincing the private sector, you will be taking a short-cut method. It is better to take the long run and create opportunities. A number of jobs are still lying vacant in the reserved category because people from oppressed classes, from backward classes are not given ample opportunities to study. If they are given opportunities and adequate atmosphere is created for their education, I think, as Shri Ramji Lal Suman has stated, they can flourish better. The persons who are from caste *Hindu*, as we call them, get educated and move out of the country. Education has become a panacea to flourish in the society and to ride the ladder. But, at the same time, it is necessary to provide opportunities to all. The creamy layer is a very debatable thing. I do not think the atmosphere is conducive in this country to demarcate.  
...*(Interruptions)*

MR. CHAIRMAN: Creamy layer is not applicable to Scheduled Castes and Scheduled Tribes.

...*(Interruptions)*

SHRI B. MAHTAB: It is not applicable. That is what I am saying. The distinction is yet to be made on economic status. It is yet to be determined how the criterion is to be fixed. Whether economic status is to be there or whether Scheduled Castes' first generation is to be there, the creamy layer is to be determined. But, I think, a debate should start now.

With these few words, I would like to support this Resolution in part. But I do not fully agree that unemployment has risen and the situation has aggravated because of the investment, privatisation and downsizing in the Government.

*[Translation]*

SHRI SHAILENDRA KUMAR (Chail): Mr. Speaker, Sir, I am greatly thankful to you for giving me an opportunity to speak on the resolution regarding reservation for SCs/STs and OBCs in Private Sector moved by Shri S. Ajaya Kumar. Previous Government gave a slogan of Swadeshi. In this context I would like to say that many foreign companies were invited to invest in India and the Govt. was bent upon disinvesting all profit earning undertakings. We will have to ponder over this issue seriously. Hon. Ramji Lal Suman has raised

many pertinent issues such as what will the Government do with the funds mobilised through disinvestment, will we set up some more undertakings? My submission is that only loss making units should be privatized. Samajwadi Party has been of the view that the undertakings such as Civil Aviation, Insurance, Communications, should not be privatised. If at all, the Government resorts to it, my party will strongly oppose it.

The second point is regarding the issue of reservation for SCs/STs and OBCs being discussed in the House. Hon. Members, be it from the treasury benches or the opposition, should seriously ponder over the issue that with the youths particularly the workers, labourers, belonging to scheduled castes, scheduled tribes and other backward classes from rural areas are fleeing to the cities. Most of these workers or labourers are engaged in construction industry. But when the works take the shape of buildings they are not even permitted to go near them. As Suman ji has just said, caste-system in India is very old. And today we are facing the burnt of it. But, if we look towards villages the condition of Scheduled Castes, Scheduled Tribes and other backward classes is very bad as the land holdings have shrunk to say one or two or a few bighas whereas their families are growing. So in fact they are not able to earn their livelihood. Therefore, they are fleeing from villages to the cities, which is a very serious problem. My submission is that the Government should seriously ponder over this issue. I would urge the Government to provide financial aid to dalits or oppressed people of all the castes so that they can revive their ancestral jobs and thus they can earn their livelihood.

I have been elected from Allahabad constituency. Industrial area is located in Naini. The whole of trans-Yamuna area is industrial area. What I have observed is that many undertakings such as Bharat Pumps and Compressors Ltd., ITI, GC, whether they are semi-public or private companies, employ people, most of whom belong to scheduled castes, scheduled Tribes or OBC on contract basis and do not pay the wages due to them. Contractors pay them very less. Contractors get full payment from Government or private agencies, they deduct their commission and then pay wages to the workers. The Government should ponder over this aspect also. At present, there is a ban on recruitment in Government departments. Be it the Central Government or the State Government, sometimes the court intervenes and otherwise something else happens. During election time, we make promises, but when we win the election

we should seriously analyse—how far we have fulfilled the promises we made? I am of the view that we do not act upon the promises. Whichever Government comes to power, makes promises that they would provide reservation in jobs or provide jobs to scheduled castes, scheduled tribes and other backward classes. But none of the Governments fulfil its promises. Even today they are being exploited. All the hon. Members sitting in the House should seriously ponder over this fact and act thereon. We will have to think over—how to tackle with increasing unemployment and how to mobilise resources for this purpose.

So far as the issue of filling of quota of SCs/STs and OBCs is concerned, none of the Governments, be it the Central or the State Government has done it so far. All of us are aware that when we go to villages for seeking votes, we say that we will raise the issue of employment in the House. But it is to be seen, how far we do so. If we check up the list of unemployed youth available in Employment Exchanges, we will be surprised to know that these days youth belonging to Scheduled Castes, Scheduled Tribes and backward classes do not register their names in Employment Exchanges, though earlier they used to do so. But, as they are not getting jobs, they have stopped going to Employment Exchanges as there is a ban on recruitment. It has made our youths very disappointed. Since they do not get job, they are resorting to wrong ways. They commit crimes and turn criminals. Therefore, all the Members should ponder over this issue seriously, it is a bolt on the society. So the Government should take it very seriously.

Whether it is private sector or the Government sector we can see that most of the workers employed there belongs to the Scheduled Castes, Scheduled Tribes or backward classes. It reminds me of Babu Jagjivan Ram when he was the Cabinet Minister. Now hon. Minister is sitting here. We expect a lot from her especially those MP's who have come after winning from the reserved seats. When we were young there was a slogan—"Harijan Neta, Ek Hi Nam, Babu Jagjivan Ram, Babu Jagjivan Ram." Efforts should be made to fulfil his aspirations and dreams. Hence I would like to urge upon the hon. Minister that she should try to get the bill in this regard passed unanimously when ever it is introduced in the House. There is a need to assure our Members as to how the people of Scheduled Castes, Scheduled Tribes and backward classes would get employment and how they could be able to feed their families. The Government should think over this quite seriously and formulate a programme in regard thereto.

The issue of Reservation reminds me of Dr. Ambedkar. Dr. Ambedkar and Babu Jagjivan Ram while holding various portfolios of Government of India had done a lot of work in this direction. They had ample talent. Even today, the educated people belonging to Scheduled Castes, Scheduled Tribes and backward classes can do and achieve a lot but yet they are being neglected in various departments. When I was elected as a Member of 12th Lok Sabha, it happened that when one of the judges belonging to Scheduled Caste was transferred the next incumbent had ensured that the seat on which he used to sit was washed and purified. If this kind of inequality keeps on prevailing in the society, what kind of service and contribution can be expected from them for society. It is a very serious matter.

17.00 hrs.

Today we also remember and miss Shri Ram Manohar Lohiaji. He had said that the people belonging to the Scheduled Castes, Scheduled Tribes and backward classes be given special opportunities. I would like to say that the people belonging to a specific class only should not be appointed on key posts but the meritorious people belonging to Scheduled Castes, Scheduled Tribes and Backward classes too should be appointed on these key posts. Hon. Minister should also pay special attention to ensure that the reservation is duly provided in the private sector. The Scheduled Castes, Scheduled Tribes and backward classes of the entire country are looking towards the Government with expectation. Government should provide reservation facility in private sector so that the people belonging to Scheduled Castes and Scheduled Tribes could get employment and feed their families.

Lastly, I would like to thank you for giving me an opportunity to speak. With these words, I conclude.

*[English]*

DR. THOKCHOM MEINYA (Inner Manipur): Mr. Chairman, Sir, I stand in support of the Resolution moved by Shri S. Ajaya Kumar.

MR. CHAIRMAN: Please cooperate with the Chair because, according to the list that is before me, there are a number of speakers who wish to speak on this Resolution.

DR. THOKCHOM MEINYA: Sir, I am fully aware of the time-constraint problem. I take this opportunity to stand in support of the Resolution moved by Shri S. Ajaya Kumar. It is a fact that the unemployment situation in the



[Shri Thokchom Meinya]

country has aggravated due to disinvestment, privatisation of Public Sector Undertakings, down-sizing of the Government services and the non-recruitment in the Government Departments, etc.

The working conditions of the Scheduled Tribes, Scheduled Castes and other backward classes have become very acute in the country. Of course, we have been listening to what our learned colleagues had to say last Friday regarding this issue. They stated that the reservation was meant, rather restricted for a period of ten years from the inception of our Constitution. But even then our friends in the weaker sections, namely, Scheduled Castes, Scheduled Tribes and educationally backward classes are not able to come up to the standards we desire, rather they deserve. We talk about equality before the law, equality in status and what not, but still they are reeling under some sort of discrimination with these conditions prevailing in the country.

At the same time there is only one avenue where the employment is being opened nowadays, namely, in the Private Sector Undertakings, where the Government is also investing money. So, some room has been created there because of this. If at all we want to improve the conditions of the Scheduled Castes, Scheduled Tribes and backward classes, their area of employment should be kept reserved. Once it is kept reserved, may be some of them will be able to join the mainstream.

It is not true to say that our friends from the Scheduled Castes, Scheduled Tribes and backward classes are devoid of merit. I am very much against this view. Many of our friends from the Scheduled Castes, Scheduled Tribes and backward classes are capable of doing things, which the people from the General category cannot do. So, we need not compare their merit. If we take them seriously, prepare them and train them well, then perhaps they will be able to come up to an equal status like all of us.

As the respected Chairman is reminding me that the time is very short, I would not take much time. This is, of course, my maiden speech in the Parliament, even though I did move a 'Zero Hour' notice today morning. Due to the problem in my State, I am in a hurry. I am leaving for Manipur tomorrow because my State is burning. From the last two or three days, this problem is there. An agitation is going on. The agitators have kidnapped some policemen. Such is the situation in my State. I am leaving tomorrow and I shall be back day after tomorrow to join the Session on Monday.

To be very frank, I was teaching for the last 30 years. I joined the electoral politics only in 2000, contested the election to Manipur Assembly and became a Minister. Then, I contested the 2004 parliamentary elections and came here. Within these two years, I had to contest two elections.

Thank God, at the same time, I am now in a position to support the Resolution regarding job reservation for our friends, that is, the SCs/STs. I am very happy that Shri Ajaya Kumar, a friend of mine, has moved it at the right moment. We have mentioned about reservation for SCs/STs and other backward classes in our CMP. We should forget about the percentages. We have to remember that these people, our friends, should be protected constitutionally.

With these few words, once again, I support this Resolution and hope that we will pass this Resolution unanimously.

SHRI P. RAJENDRAN (Quilon): Thank you, Mr. Chairman, Sir, for giving me this opportunity on this occasion for participating in this debate on the Resolution moved by my esteemed colleague, Shri Ajaya Kumar, which is about job reservation for SCs/STs and other backward communities in the private sector. This is the bare need of the situation which has been created because of LPG, that is, Liberalisation, Privatisation and Globalisation policies followed by the previous Governments. My friend, Shri Mahtab, had argued against this version. He has argued that no such thing has happened here. With all humility, I am challenging his argument. Can anybody argue that the employment position is better in the last ten years? The last ten years were the decade of globalisation, privatisation and liberalisation.

For what reasons has the employment situation worsened? It is due to these policies. Downsizing of the administration was the slogan of the Government, which was reflected in the Budget Speeches of the former Finance Ministers. What was meant by 'downsizing of the administration'? Does it mean, 'creation of more jobs' or 'decrease of job opportunities'? The employment scenario worsened to such an extent that lakhs and lakhs of people were thrown out of employment from Government Service and public sector undertakings. The situation has improved in the private sector with growth in production and profit-making. Now, the employment scenario in the private sector also is worsening day by day because of the application of scientific innovations

and technological revolutions, which point out how to make profits by creating less and less employment opportunities. I am not going into the details because of paucity of time.

Several colleagues talked about the necessity, feasibility and the practicability of this legislation. I am not going into the details. I am only saying that a consensus needs to be created on this. The Government has to take the initiative to discuss this with the Members from all corners of the House. This House is powerful to enact such a legislation. The hon. Member talked about our former Prime Minister favouring this legislation. What has happened? All our former Prime Ministers talked well of the downtrodden people. Everybody can speak like that.

All the gracious occasions are adorned by speeches. The downtrodden people are getting speeches on occasions but no employment, no food, no shelter, no clothes and no education. It is only speeches after speeches that they are getting.

The hon. Member said that the former Prime Minister spoke about it last time also. He is a man of words. He is a man of oratory. He is a man of poems. But what have you given to the poor people of the nation? I am not going into the details.

I request you to please form a consensus on this point. I urge upon the Government to come with a legislation to provide job reservation for unemployed youth belonging to SCs, STs and other backward classes in the private sector.

I once again congratulate Mr. Ajaya Kumar, my esteemed colleague, for introducing this Resolution. I support this Resolution and I request the august House to adopt this and enable it to become a part of our Constitution in order to support the backward classes of our country.

DR. K.S. MANOJ (Alleppey): Mr. Chairman, Sir, I rise to support the Resolution moved by hon. Member Mr. Ajaya Kumar demanding reservation in jobs for Scheduled Castes, Scheduled Tribes and other backward communities in the private sector.

Most of the human beings are born with immense potential; only very few are super-brains; and only a few are mentally retarded. It is the circumstances and the environment in which they are brought up that allow them

to develop their potential, that is, their activity, their intelligence, their personality, and so on and so forth.

When it comes to socially and educationally backward classes like SCs, STs and OBCs, they are very often deprived of all these circumstances. So, they do not get the chance to develop their abilities. It is not due to their own fault. But because the historical factors prevailing in India for centuries. Out of those factors, caste system is of paramount importance, as many hon. Members have mentioned.

As you know, caste system with all its practices and rituals, discriminated against people and segregated them into various strata. It is because of that, the forward classes enjoyed all benefits using religion for the same. People belonging to backward classes were deprived of education, freedom of expression, freedom of movement and freedom of worship. Even women were not allowed to wear clothes to cover their chest. One cannot imagine such a situation prevailed in our country but that was the situation prevailing in India.

Fortunately, due to various awakening and progressive movements led by our great leaders and reformers, the social stigmas were wiped off. This too occurred in the middle of the 20th century. Even when we come to the times of Independence, the same social system existed then in our country.

When India became Sovereign, Socialist, Secular and Democratic Republic and our Constitution came into existence, many provisions were made to uphold the rights of these depressed and downtrodden communities. There were many provisions to provide right to equality and opportunity. Only then the backward classes got the opportunity. About 50 years or so have lapsed for the backward communities to get the opportunity. But they were denied of justice for many centuries.

17.17 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The members of SCs, STs and OBCs who are enjoying the benefits of reservations are those belongings to first or second generation after they got special protection under the Constitution. The Constitution has provided special protection for education and employment. In our administrative sector, for each and every employment there is a fixed minimum qualification. Only the first or the second generation of the SCs and STs has reached that stage of qualification. Even after

[Dr. K.S. Manoj]

providing reservation for the Backward Classes, they have not attained the proportion of opportunities. Actually they ought to.

The former speaker has pointed out certain statistics prevailing. In our country there is no mechanism existing to take the statistics of the various employment opportunities. I think only in the Mandal Commission, some studies had been made and some statistics were brought out in the Report which showed that almost 87.5 per cent of the population belongs to backward classes but they are enjoying only 22.5 per cent or 25 per cent of the job opportunities. The population proportion belonging to the forward community is around 22.5 per cent but they are enjoying the job opportunities of around 87.5 per cent. That is why, the Mandal Commission recommended special reservation for the Backward Classes in Central Government sector.

At present, in the changing scenario, the Government is moving away from the job opportunities and private sector is taking that part of the Government. So, opportunities are getting diminished.

Another point is that the very purpose of reservation is not just providing the job opportunities. Most important part of the reservation is the participation of the people in governance or in power. That is why we are providing reservation in Legislature, in Judiciary and also in Executive. Hence, the very purpose of reservation is to provide ample opportunities to the various sections of people and that opportunity is being denied by downsizing of the Government sector. So, in the current scenario the chances are diminishing. It is a must to provide reservation to these SCs, STs and Backward Classes communities in the private sector too. So, I support the Resolution moved by Shri S. Ajaya Kumar, to provide reservation for the SCs, STs and Backward Classes in the private sector too.

Therefore, the Government should initiate a consensus among all political parties on this issue. I think, no political party would be against this reservation. With consensus, all political parties should come to a decision to provide adequate reservation in the private sector to the Scheduled Castes, Scheduled Tribes and other backward classes.

With these few words, I support the resolution moved by the hon. Shri S. Ajaya Kumar.

**SHRI MANI CHARENAMAI (Outer Manipur):** Mr. Deputy Speaker, Sir, I thank you very much for allotting

me time to speak. The Scheduled Tribes, Scheduled Castes and other backward classes are the backbone of our nation. They are our history and culture. Reservation is not a privilege but a matter of right, justice and equality. Privatization, disinvestment, globalisation and downsizing have definitely diminished the scope of employment for the Scheduled Tribes, Scheduled Castes and other backward classes.

The Scheduled Tribes, Scheduled Castes and other backward classes' society do produce outstanding and brilliant boys and girls who can compete with other privileged groups. However, their percentage is very low. If there is no reservation policy for the Scheduled Tribes, Scheduled Castes and other backward classes in the private sector for the sake of efficiency the unemployment problems among the Scheduled Tribes, Scheduled Castes and other backward classes would be aggravated. Privatisation without a reservation policy for the backward classes is a kind of systematic discrimination policy.

Sir, in the North-East, some of the States are purely tribal States and so, the question of discrimination against the Scheduled Tribes and Scheduled Castes in reservation in employment does not arise there. However, the State of Manipur where I belong, where the tribal population is 33 per cent of the total population, has been subjected to rampant discrimination in matters of employment. The percentage in the State of Manipur is fixed at 27 since 1981, and it has not been updated till now. Not to speak of reservation in the private sector, even in a Government job recruited on contract basis from the central assistance, the authorities have denied reservation on the ground that it is not a permanent and the State Government job. Not only this, the State Government has been regularising casual, *ad hoc* and worked-charged employees on the basis of seniority, which is very much against the reservation policy. Subsequently, only those who are recruited without following any recruitment rules, are regularised.

Similarly, the loan and credit facilities are also not made available to the tribal people against their landed property on the grounds that the lands are not surveyed.

Lastly, I would pray that some sort of decision is arrived at by this august House to form a reservation policy to protect the interests of Scheduled Tribes, Scheduled Castes and other backward classes.

I fully support this resolution moved by Shri S. Ajaya Kumar. With these few words, I conclude.

**SHRI S.K. KHARVENTHAN (Palani):** Mr. Deputy Speaker, Sir, I thank you for giving me this opportunity

to speak on the resolution moved by our hon. Member, Shri S. Ajaya Kumar with respect to the reservation for the Scheduled Castes, Scheduled Tribes and backward communities in the private sector.

Why is this Resolution necessary? It is for three reasons—one, the young boys of SC/STs and OBCs are not able to get entry into professional colleges; two they are not able to get Government jobs; and third, they are not able to start private business.

If you go down to South, those students who are able to get 297 to 299 out of 300, are able to get admission into medical colleges, and those students of SC/STs and OBCs who get lesser marks are not able to get professional courses, since a medical college seat costs Rs. 25 lakh. They are not able to get seats. Next comes the question of seeking Government jobs. They are not able to influence; they are not able to spend money; they do not have any recommendation and so, they are not able to get jobs.

There are unemployed medical graduates and there are so many Government hospitals which are running without doctors. In Natham and Kangeyam which are in my constituency, there are 50-bedded Government hospitals in those towns and there is no doctor for a number of years, since the Government wants to downsize, and decided not to appoint any one. There are many schools which are running without teachers. The Government is not ready to appoint anybody, and there are very many young graduates from SC/ST and OBC categories who are wandering for jobs. If they are appointed in Government hospitals and schools they can serve the society better, but they are not being appointed.

For the information of the House, I would like to say that there is a scheme in the Department of THADCO in Tamil Nadu, whereby they are providing loans for SC/ST youths, under PMRY. They are selecting the candidates according to the educational qualifications, and are sending the list to the nationalised or lead banks. What are these banks doing? They are calling the candidates to come today or tomorrow; they are dragging them and finally they refuse; they are not able to get loans, and they are also not able to start the profession. Thus, the youths from SC/ST and OBC categories have become jobless.

I want to say one more thing for the information of this House. Throughout this country, most of the Governments are not willing to give suitable Ministries to the SC/ST persons. Late Shri Kamaraj was the first Chief

Minister in this country who appointed one SC/ST MLA, Shri Parameswaram as the Minister for HR&CE. In those days, SC/STs were not allowed entry into the temple; and those temples where SC/ST people were not allowed entry, they gave a warm reception to the SC/ST man. Late Shri Kamaraj appointed one Mr. Kakkan as the Home Minister, who was one of the signatories to the Constitution; he served in that position for a number of years.

In the present day, we are speaking many things, but we are not ready to accept SC/ST youths. I want to make only one reference here to Ramayana. When Rama, Sita and Lakshmana were going out from their Kingdom to forest, they were helped by Guha, to cross the river. He belonged to a fishermen community; but Rama called him that he was his another own brother. Nowadays, we are using Rama for only election purposes, but we are not following the footpath of Rama to help the poor and downtrodden people. So, the time has now come after 57 years, when we have to think about the youths of SC/ST and OBCs. This Government has to pass a suitable Act, giving job opportunities in private institutions.

In my constituency, there are a number of industries. Those industries are not giving even a single job to SC/ST candidates. There are textile industries, dairy industries and so many others. But they are not giving jobs to them. So, we have to pass suitable orders to help the youths from SC/STs and OBCs. Thank you for giving me this opportunity.

SHRIMATI P. SATHEEDEV (Badagara): Thank you, Mr. Deputy Speaker, for giving me this opportunity to speak a few words on the Resolution moved by Shri Ajaya Kumar. We are discussing the issue of reservation to SC/ST and OBCs, in the 57th year of our Independence.

Constitution provides for a right to reservation in employment in public sector to Scheduled Castes, Scheduled Tribes and other backward communities. We are in the 57th year of our Independence. We can very well see what is happening in the public sector all over the country.

At the time of framing of the Constitution, the intention of the framers of our Constitution was to uplift the downtrodden masses and to bring them in the mainstream of the society. Looking at the situation prevalent all over the country, we can say that a lot still remains to be done. The condition of Scheduled Castes and Scheduled

[Shri S.K. Kharventhan]

Tribes is quite worse. The problem of untouchability is there. In some parts of our country people belonging to Scheduled Caste and Scheduled Tribe are not given glasses for drinking water. Various such other atrocities are being committed against this section of people. Only by following the reservation policy this downtrodden section could be uplifted as they would get an opportunity to come in the mainstream of the society.

The Constitution guarantees right to reservation in employment opportunities in the public sector. On the contrary, what is happening in the last few decades has to be looked into. After the introduction of globalisation and privatisation, the public sector as a whole has weakened. One of my friends from the Opposition was suggesting that there was no decline in the employment opportunities. That is not correct. Statistics will reveal that after the introduction of various methods of globalisation and privatisation, there is a considerable decline in the employment opportunities as a whole. The word 'privatisation' itself means competition in this sector and we witness the survival of the fittest. The majority of the weaker sections is wiped out and the public sector as a whole has weakened in the last few years.

The economic policy adopted by the previous Government in the last few years has also resulted in throwing out a major section of people from the employment sector. At the time of entering into an agreement with the financial institutions, like the World Bank, ADB, the first condition being put by them is to reduce the employment opportunities. This has been going on in Kerala also. As a result of this, there is no possibility of increasing the employment opportunities in the public sector. This has worsened the employment opportunities for the weaker sections of society. The only remedy seems to be to provide for reservation for the weaker sections in the employment sector.

How is the private sector working? Even for registration, for registering a company, the sanction of the Government is necessary. Similarly, to get either the licence or the finance, you require a sanction from the Government.

This private sector is strengthening with the taxpayers money. So, there should be some direction for bringing social justice by the private sector. There must be special direction through a legislation to enable the weaker sections of the society to get employment in this sector. That must be done only with a legislation. Therefore, this Resolution has to be unanimously supported by this august House.

After the presentation of the Railway Budget and the Central Budget by the UPA Government, there is an

impression on the people as a whole that the Government is intending to bring the lower sections of the society to the mainstream. They hope that such a Bill would be introduced by this Government. There must be a legislation to provide jobs to the Scheduled Castes, Scheduled Tribes and other backward community in the private sector.

SHRI T.K. HAMZA (Manjeri): Hon. Deputy Speaker, Sir, the Resolution moved by Shri Ajaya Kumar has been elaborately discussed by a number of hon. Members. I do not want to go into the details of the reservation principles or the history of reservation. Anyway the reservation is guaranteed by the Constitution and you have to obey it. Now our experience is that no appointments are being made by the Central Government or the State Government. The UPSC and the SPSCs are not doing any work. The vacancies are not reported. They are not advised to appoint people. This is the position in public sector also. They are closing down every day. A number of public sector institutions in India are being closed down one by one. Where is the opportunity to get employment? Moreover, many public sector units are converting into private sector due to the implementation of our new economic policy. Then what is the use of having a provision in the Constitution? What is the meaning of a guarantee in the Constitution? So, we have to obey the Constitution. We have to follow the Constitution. For that, this has to be extended to private sector also. Otherwise, there is no meaning at all. This has been accepted in principle by the Common Minimum Programme also. Therefore, my humble request is that the reservation should be extended to private sector also. Appropriate action should be taken in this regard. Necessary instructions should be given to the Government. Therefore, I support the Resolution moved by Shri Ajaya Kumar.

[*Translation*]

SHRI PUNNU LAL MOHALE (Bilaspur): Mr. Chairman, Sir, I rise to support the Resolution moved by hon. Ajay Kumarji seeking to provide reservation facility to the people belonging to Scheduled Castes, Scheduled Tribes and backward classes in private sector.

I would like to highlight some of the points. It has been highlighted by the speeches of various Members that despite the existing provisions, all the vacant posts of Scheduled Caste and Scheduled Tribe quota are not filled in Government sector. Several candidates belonging to these communities are called for the interview but are rejected despite being fully eligible. This is leading to increase in the number of unemployed persons and consequently prevail inequality and discrimination in society. It would not be an exaggeration if I try to reflect their anguish and inequality through following lines:

Keechad se phul nikle ham use Ishwar par chadhate hain,

Kya Keechad se bhi gaye beete, log hamse chhua jaate hain,

Maila se gobhi aloo upje, use log bare chaav ka khate hain,

Par jo use paida karne walen hain, use log chhua jaate hain,

We need to pay more attention towards these things. The people belonging to Scheduled Castes, Scheduled Tribes and backward classes are not given employment in private sector due to which the number of uneducated youth in the country is bulging and their condition is worsening day by day. They are taking resort to alcoholism, violence and terrorism. Hence, they are plunging in abysmal depths for there is nobody to take care of them and treat them with equality and justice.

I would only like to request you that there is a need to provide reservation to the people of Scheduled Castes and Scheduled Tribes on the lines of the act that provides 50 percent reservation facility to the people belonging to Scheduled Castes, Scheduled Tribes and backward classes in public sector. A similar legislation be enacted in regard to private sector which should have stringent provisions and if it does not have stringent provisions then the recruiting authority whether in private seats or in Government Sector. ...(*Interruptions*)

*[English]*

MR. DEPUTY SPEAKER: Time allotted for discussion of this Resolution is over. If the House agrees, we may extend the time for discussion of the Resolution upto 6.00 P.M.

SEVERAL HON. MEMBERS: Yes.

*[Translation]*

SHRI PUNNU LAL MOHALE: Sir, it should have very stringent provisions and the erring persons/authority be punished by either imposing fine on him or suspending or terminating him from the service. By enacting such a law the people belonging to Scheduled Castes, Scheduled Tribes and backward classes also be appointed in the private sector on the lines of the Government sector. If it is made mandatory, the person incharge of recruitment would take it as his responsibility and if the recruitment policy remains confined on papers only, then the vacancies can never be filled.

Lastly, I would like to say that I support this Resolution to provide reservation facility to the people of Scheduled Castes and Scheduled Tribes in private sector. I request to formulate and implement such a law.

*[English]*

THE MINISTER OF SOCIAL JUSTICE AND EMPOWERMENT (SHRIMATI MEIRA KUMAR): Mr. Deputy Speaker, Sir, at the very outset I would like to congratulate hon. Member, Shri Ajaya Kumar for having brought forward this Private Members' Resolution and also for having initiated a discussion on this, and also the other 29 hon. Members who have participated in this debate. We had the discussion on this Resolution last Friday and we have had discussion on this today also.

Sir, I have noted down all the suggestions that have been made. They are very valuable and useful suggestions. It has been, to put it very briefly, a very fruitful debate. It kept me engaged because every speaker spoke from his/her heart. The speeches of every Member were very committed and passionate.

Sir, I would like to draw your attention to the fact that this is the first time that a Government has made affirmative action including reservation for Scheduled Castes and Scheduled Tribes in the private sector. A very important part of its Common Minimum Programme.

This has happened for the first time. Sir, this programme was also made an important part of the Congress manifesto by our Chairperson, Shrimati Sonia Gandhi. So, when the UPA coalition started drawing up its Common Minimum Programme, I would emphasise the fact that all the Members of the coalition parties of UPA unanimously agreed to make this a part of the Common Minimum Programme. Dr. Manmohan Singh's Government is fully committed to it. Now, having said this, I just want to take everybody back to history.

SHRI P.K. VASUDEVAN NAIR: The Left Parties also supported it.

SHRIMATI MEIRA KUMAR: Yes. I said that everybody unanimously supported it. All the hon. Members of the Left Parties rising and giving such committed speeches was really something overwhelming.

I want to take you back to our history since time immemorial. The societies the world over are divided into haves and have notes, the rich and the poor. But our society has the dubious distinction of not only being divided into the rich and the poor but also being divided into various castes. This has led to a great deal of discrimination resulting in incapacitating and paralysing the lower rung of the caste system. This has been the story. There have been many attempts to correct it. This went on after we got our Independence. When the Constitution was being written, the framers of the Constitution and everybody got together and decided that we have to have some kind of a corrective measure. Some people called reservation as a certain facility given

[Shrimati Meira Kumar]

to SCs and STs. I would like to call it not a facility but a corrective measure, some kind of a compensation being given to certain classes of society, namely, the SCs and the STs. This was done in our Constitution. Dr. Ambedkar was so concerned about it. Mahatma Gandhi was so concerned about it. All the great leaders at that time were so deeply concerned about it. Then this was made a part of our Constitution.

There was a provision for political reservation and there was also a provision for reservation for SCs and STs in Government jobs at the Centre and the States. By a Government Order issued on 21st November, 1947, reservation was provided to Scheduled Castes and, by a Government Order issued on 13th September, 1950, reservation was provided to Scheduled Tribes.

However, over the years it was observed that although there is a provision for reservation, there were backlogs. My friend from Cuttack, Shri B. Mahtab said that backlogs are not being filled up. So, there was this problem of backlogs. Although backlogs were filled up in 'D' and 'C' categories, excluding the *safai karamcharis*, but in 'A' and 'B' categories, there were shortfalls so far as Scheduled Castes were concerned, and so far as Scheduled Tribes were concerned, there were shortfalls in 'A', 'B' and 'C' categories.

It is because of that, Shrimati Indira Gandhi made special efforts to ensure that these backlogs are filled up; Babu Jagjivan Ram made special efforts to ensure that these backlogs are filled up; and Shri Rajiv Gandhi made special efforts to ensure that these backlogs are filled up. In fact, when he was the Prime Minister, he also ensured that there are no de-reservation. There was a tendency to de-reserve the posts meant for Scheduled Castes and Scheduled Tribes. So, when he became the Prime Minister, he also ensured that there are no de-reservation. Special drives were conducted in 1989, 1990, 1991, 1993, 1995 and 1996. These special drives for filling up the backlogs were conducted. I have got the figures from DoPT. There are some backlogs. We keep writing. We have also written to the States to take measures to fill up the backlogs.

Now, what has happened? In these 60 years, or in these 57 years after Independence, we had thought that we will bring Scheduled Castes and Scheduled Tribes at par with the rest of the society. We had thought that we would be able to bring them into the mainstream, and given them a place of respect and dignity in our society. But unfortunately, the prejudices are so deep rooted, so old and they have existed for thousands of years, that sixty years have not proved enough time for removing these prejudices. They continue and so our corrective measures to overcome these prejudices have also to continue.

Now, what has happened is that according to our economic reforms, we had to privatise, we had to globalise, we had to disinvest, we had to downsize and we had to stop recruitment in the Government sector and in the public sector. Government and the public sector were the only sectors which were providing reservation to Scheduled Castes and Scheduled Tribes. Now, when these sectors have started shrinking, we cannot just sit down with folded hands and say, "Sorry, we cannot give you jobs because there are no job opportunities now left in the Government sector and we have privatised the public sector." We cannot do that because we have a certain responsibility towards the downtrodden, towards the suppressed sections of the society.

We have a certain social obligation. That is why, we started looking towards the private sector for job opportunities. Now, the private sector has become a major mover of the economy. It is a major player in the Indian economy. It has immense opportunities to offer. It has jobs to offer. So, we thought that we would tap this sector for providing affirmative action, including reservation to the Scheduled Castes and the Scheduled Tribes.

Sir, so far as this section is concerned, some news has appeared in the Press. Just because some news has appeared in the Press, to think that the entire private sector is resisting it, the entire private sector is opposing it, will not be proper. We have initiated a dialogue, consultation, an informal consultation which is a part of the national dialogue.

I just want to read out what exactly is the paragraph written in the Common Minimum Programme. It says:

"The UPA Government is very sensitive to the issue of affirmative action, including reservations in the private sector. It will immediately initiate a national dialogue with all political parties, industry and other organisations to see how best the private sector can fulfil the aspirations of Scheduled Castes and Scheduled Tribes youth."

So, we have to initiate a dialogue. We have already started the consultation process at various levels, at various stages with different people. Now, we have to consult the political parties, the industry and other organisations. The other organisations are the various NGOs, the various SC-ST organisations, as also the social scientists, the intellectuals and other committed people of this field. So, we are in the process of doing that.

A question was raised about ability. ...*(Interruptions)*

MR. DEPUTY SPEAKER: Madam, how much time will you take?

SHRIMATI MEIRA KUMAR: I do not know. It is up to you.

SHRI C.K. CHANDRAPPAN (Trichur): If we decide to sit for another 45 minutes, probably the reply may be made and the Resolution can be disposed of. We can then take up the next resolution also. ...(*Interruptions*)

MR. DEPUTY SPEAKER: The scheduled time is up to Six of the Clock.

SHRI KHARABELA SWAIN: If the hon. Minister can finish it in 5-10 minutes, it is all right. Otherwise, you can adjourn the House today. In the next Private Members' Business day, it can be taken up.

SHRIMATI MEIRA KUMAR: I will wind up in 5-10 minutes.

MR. DEPUTY SPEAKER: I think the House agrees.

SEVERAL HON. MEMBERS: Yes.

MR. DEPUTY SPEAKER: All right. Please continue.

SHRIMATI MEIRA KUMAR: I will wind up. There was a question about ability. I want to tell you a little story from the *Mahabharata*. Please permit me.

18.00 hrs.

This young character in Mahabharata is also an untouchable. His name is Eklavya. There was a great guru. He used to produce students of great merit. His students always had great merit. So, he promised Arjuna that he would be the greatest archer, marksman in the world. He said: "I will make you the greatest marksman in the world." Arjuna started this training under him. One day, both of them went to the forest. They used to go to the forest for hunting and they had their dog with them. The dog was barking. Suddenly it stopped barking. He came back and his mouth was shut by a number of arrows in such a way that he could not open his mouth and bark, but there was no injury caused to his mouth. The arrows were so focused around his mouth. Dronacharya was very surprised and also very worried because he realised that there existed another marksman who was more meritorious, more competent than Arjuna. He started wondering as to what will happen to the word that he has given to Arjuna, the promise that he made to Arjuna?

So, he went to look for this man and he found Eklavya there, a young boy coming from a so-called low caste, an untouchable. He was practising there. He asked him: "Who is your guru?" The boy replied: "You are my guru." He asked: "How am I your guru? I have never taught you." He said: "You have taught me, I have made

this statute of yours and in front of it I practise everyday and so you are my guru." Dronacharya said: "If I am your guru, you give me my *gurudakshina*." Eklavya asked: "What is the *gurudakshina*?" He said: "You cut your right thumb and give it to me." The boy said: "Yes." He cut his right thumb and gave it to him. So, Arjuna became the greatest archer in the world because Eklavya was denied the opportunity.

That story continues even today. This is the story of ability, this is the story of merit. That mindset of Dronacharya still exists in our society today. So, every time we talk and think of merit, we cannot remove it from this context. We always have to think of it in the context of so many people who have tremendous talent and tremendous merit but are being denied the opportunity. And, the nation is being deprived of what they can do for the progress of this country if they are given opportunities.

So, this is what I have to tell when people talk of merit and say that the Scheduled Castes, and Scheduled Tribes, the poor and the suppressed do not have merit. If we give them the opportunity, they will show the merit. In any case, we are also making efforts towards that. From our Ministry, we have the Coaching and Allied Scheme for them. We have centres in all the State Capitals and universities where we are giving coaching to them for appearing in Entrance Examinations in Medicine, in MBA, in Engineering, etc. I would like to inform that a number of students belonging to the Scheduled Castes, the Scheduled Tribes, Other Backward Classes and minorities who have taken the coaching have done very well.

So, on the merit side, I just want to say this.

Another thing that I want to say is that I am very positive and very confident that the private sector will seize the opportunity. It is a historical opportunity for the private sector, for the big businessmen in the private sector, for the people who are in the industry, in the private sector to show, and most of them have shown in the past, their commitment to social obligation. It is not that they are devoid of it. I will not be critical of them. I will not be negative of them.

They have shown that they have commitment towards the social obligation. I think, this is a tremendous opportunity in front of them. They have to seize this opportunity and prove to this country, to the masses that, they have the commitment. At one time when our industry needed support, needed protection, needed quota, needed rebate, needed some kind of concession, the Government



[Shrimati Meira Kumar]

was giving it. The Government exchequer was paying for it. But now that they have developed, they will not forget what they have received and here is the opportunity for them to show that they also are sensitive to the needs, to the aspirations of the Scheduled Caste and Scheduled Tribe youths. They will try to make arrangements for affirmative action. Affirmative action is to empower, to promote human capital and to promote entrepreneurship and they also have to go beyond that and provide or make provisions also for reservation.

I am very confident of that and I want to do it in a very positive atmosphere, in a very cordial atmosphere and we are holding the dialogue. As to specific questions, some people have said that there should be a time frame as to how we would go about it, what would be the specific procedure that would be adopted, what would be the modalities of it. The specific answers to these questions will emerge from this dialogue and we want to do it very amicably and in the interest of our downtrodden brothers and sisters and the SC/ST youths. The Government of Dr. Manmohan Singh, under his Prime Ministership, is fully committed to it. We have wholeheartedly devoted ourselves to doing this work.

I want to request the hon. Member, Shri Ajaya Kumar to kindly withdraw this Private Member's Resolution because we are committed to doing this.

SHRI C.K. CHANDRAPPAN: Sir, the hon. Minister did not make any promise. She said that she wished that private sector would respond positively. Probably Mahatma Gandhi was the one who called them the trustees of the society.

SHRIMATI MEIRA KUMAR: I have said everything. We are moving ahead in this direction.

MR. DEPUTY SPEAKER: Shri Ajaya Kumar, if you want to withdraw the Resolution, you can do so, you cannot make another speech at this moment.

SHRI S. AJAYA KUMAR: Mr. Deputy Speaker, Sir, I would like to congratulate the UPA Government and the Hon. Minister. I hope the Government will take seriously all the points raised by the hon. Members. I am not pressing the Resolution and I seek the permission of the House to withdraw the Resolution.

MR. DEPUTY SPEAKER: Is it the pleasure of the House that the Resolution moved by Shri S. Ajaya Kumar be withdrawn?

*The Resolution was, by leave, withdrawn.*

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(II) RE: Relief measures for workers in Agrarian Sector

[English]

MR. DEPUTY SPEAKER: Item No. 17, Shri P.K. Vasudevan Nair.

SHRI P.K. VASUDEVAN NAIR (Thiruvananthapuram): Sir I beg to move:

"Taking into account the unprecedented crisis in agrarian sector, which has resulted in debt trap, unemployment and poverty of the farmers and agricultural workers and mass suicide by them, this House urges upon the Government to take adequate relief measures for the rehabilitation of the families of those who have committed suicide and also to take effective debt relief measures along with measures to refinance the agrarian sector so that it again gets revitalised as the most important economic sector in the country."

MR. DEPUTY SPEAKER: We have to fix time for discussion for this resolution. Usually, two hours are allotted in the first instance. If the House agrees, two hours may be allotted for the discussion.

SEVERAL HON. MEMBERS: Agreed.

SHRI P.K. VASUDEVAN NAIR: Sir I have moved the resolution.

MR. DEPUTY SPEAKER: Okay, you will continue next time.

The House now stands adjourned to meet on Monday, July 19, 2004 at 11 a.m.

18.11 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, July 19, 2004/Asadha 28, 1926 (Saka)*

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