

on disposal of old appeals, are some of the factors responsible for the pendency.

(c) and (d) Apart from the Bar Association of Mumbai, the President of the Tribunal has also proposed the shifting of Benches from Delhi to Mumbai. One Bench was shifted from Delhi during 1996. Further shifting of Benches could not take place due to non availability of Government accommodation at Mumbai and paucity of space with the existing Benches. Lease of a private accommodation requires consideration of fairness of rent, location of building, security and convenience of the assesseees. No such suitable building could be found so far.

Economic Sanctions

2669. DR. Y.S. RAJA SEKARA REDDY :
SHRI MAGANTI VENKATESWARA RAO :
SHRI K.S. RAO :

Will the Minister of FINANCE be pleased to state :

(a) the names of countries/international financial institutions which have imposed the economic/commercial sanctions against India in the wake of recent nuclear tests;

(b) the amount of assistance/loans which were expected from these countries/institutions before imposition of sanctions, country/institution-wise;

(c) the impact of such sanctions on the economy/ongoing projects of the country;

(d) the measures proposed to be taken by the Government to make up the loss suffered due to the economic sanctions;

(e) whether the Government have formulated any counter economic measures against these countries/international institutions;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The USA has announced sanctions. Canada, Norway, Sweden, Denmark, Netherlands, Germany and Japan have frozen official assistance at current level/reduced assistance. Consideration on some loans by the World Bank has been deferred though other loans have been cleared.

(b) A statement showing the Budget Estimates of assistance/loans from these countries/institutions for 1998-99 is enclosed.

(c) Since the sanctions/suspensions of official loans will mostly apply to new loans, the disbursements of loans already agreed upon is likely to remain unaffected. The

impact on the economy and on ongoing projects is expected to be quite limited. Sanctions by the US also include denial of any credit, credit guarantees or other financial assistance by the US Government entities which include termination of all new US EXIM credits and credit guarantees for US exports to India as from May 13, 1998 as well as discontinuance of US Overseas Private Investment Corporation (OPIC) guarantees for US Foreign Direct Investment ventures in India. EXIM Bank loans already approved will not be affected. The extent of the effect is currently unclear, however, partly because the precise nature of the sanctions and suspensions is not clear.

(d) In conformity with the policy of the Government, various measures have been initiated to encourage foreign direct investment and investment from NRIs/OCBs and FIIs. The Government has allowed cover for incremental FII equity investment and separated and made independent FII and NRI/OCB limits on portfolio holdings in a company. The NRI/OCB limits have been enhanced.

As per the announcements made in the Union Budget, 1998-99, Unit Trust of India is planning to launch a new India Millennium Scheme to invite subscription in dollars from the NRIs. State Bank of India is planning to launch a new Resurgent India Bond denominated in foreign currencies for subscription by NRIs. Investment by the FII debt funds in unlisted domestic debt securities has been proposed. The budget also proposed measures to accelerate processing and implementation of FDI. In addition, announcements were made for increasing investments in infrastructure.

(e) No.

(f) and (g) It does not arise.

Statement

External Loans and Grants Receipts (Budget Estimates 1998-99)

(In crores of Rupees)

Name of the Country/Institutions	External Loans	External Grants*
1	2	3
Multilateral		
I.B.R.D.	1527.29	-
I.D.A.	4342.34	-
A.D.B.	1000.85	-
P.P.F. (WB)	10.00	-

1	2	3
Bilateral		
USA	-	70.00
Denmark	-	32.11
Netherlands	-	85.40
Germany	242.00	50.50
Japan	2703.30	100.00
Sweden	-	45.62
Swiss Gr (IDA)	-	10.00
Japanese Grant (IDA & IBRD)	-	5.00

* Grants and Commodity Assistance from Friendly Foreign Countries and International Bodies.

Source : Receipts Budget 1998-99.

Opening of Unopen Sectors for Foreign Participation

2670. PROF. P.J. KURIEN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken the initial steps to open the hitherto unopened economic sectors for foreign participation;

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

(c) the likely impact of opening these sectors for foreign investors?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) The policy towards the foreign direct investment (FDI) is a dynamic policy aimed at progressively liberalising the FDI regime with a view to encouraging foreign investment in priority areas so as to make the Indian economy globally competitive. It is constantly reviewed taking into account the suggestions received from various quarters. The government has taken several initiatives in this direction, some of which are :

- (i) Mining sector opened for automatic approval by RBI up to 50%.
- (ii) Extension of list of industries for automatic approval upto 51% expanded and certain sectors opened for automatic approval upto 74% equity. Total No. of items for automatic approval enlarged from 35 to 60.
- (iii) Foreign equity participation in electric generation, transmission and its distribution from hydro-electric, coal/lignite based, oil based, gas based

thermal power plants has been allowed upto 100% under automatic approval provided the foreign equity in these projects does not exceed Rs. 1500 crores.

(iv) In the NBFC sector, FDI has been allowed in 15 activities at different levels.

(v) New guidelines have been issued on 11 June, 1998 by the Ministry of Civil Aviation about FDI in the civil aviation sector.

The policy is under constant review for further refining FDI prioritisation keeping the national priorities in mind. The liberalisation of the FDI policy is expected to diversify the FDI inflows. The reform process is also expected to compress the time lag between approval of FDI and actual inflows.

Transfer of HCL

2671. SHRI R.L.P. VERMA :
SHRI K. YERRANNAIDU :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to transfer the administrative control of the Hindustan Cables Limited to the Ministry of Communications;

(b) if so, the details thereof;

(c) whether the employees of Hindustan Cables Limited, Rupnarainpur (West Bengal), have not been paid salary for the last three months;

(d) if so, the reasons therefor; and

(e) the steps taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Ministry of Communications have been requested to take over the administrative control of Hindustan Cables Limited. However, the proposal is still in the preliminary stage.

(c) and (d) Yes, Sir. Due to lack of adequate orders for its products and the resultant acute liquidity problems, Rupnarainpur Unit has not been able to generate adequate internal resources to meet the salary and wages of its employees.

(e) Ministry of Communications, which is the principal customer of HCL has been requested to place adequate orders for Jelly Filled Cables on HCL, alongwith necessary advances. The availability of adequate orders is expected to improve the liquidity position of the company.