

Share Capital to Spinning Mills

*351. DR. ULHAS VASUDEO PATIL : Will the Minister of TEXTILES be pleased to state :

(a) Whether there is any provision to provide share capital from Central Government to the Spinning Mills in the Co-operative Sector; and

(b) if so, the details of proposals received in this regard by the Union Government and Share Capital provided?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Government of India provides loan assistance to the State Governments through National Cooperative Development Corporation (NCDC) for contribution to the share capital of the Cooperative Spinning Mills organised by the Handloom Weavers and Cotton Growers for modernisation, expansion and setting up of new Cooperative Spinning Mills. The Scheme for loan assistance to handloom weavers cooperative spinning mills has been discontinued with effect from 1st April, 1998.

(b) On the basis of viable proposals received till 31st March, 1998, the Government of India through NCDC have provided about Rs. 85 crores and Rs. 134 crores as loan to the State Governments for share capital participation in 50 Handloom Cooperative Spinning Mills and 46 cotton Growers Cooperative Spinning Mills respectively.

Decline in Growth Rate

*352. SHRI SUSHIL KUMAR SHINDE :
SHRI MADHAVRAO SCINDIA :

Will the Minister of FINANCE be pleased to state :

(a) whether poor budgeting and financial mismanagement by most of the Government Departments for years, have been responsible for the sharp decline in growth rate;

(b) if so, the percentage of over-spending or savings by different Government departments, over the initial estimates of expenditure during each year since 1995-96 in respect of planned and non-planned expenditure, separately; and

(c) the specific steps taken/being taken by the Government to improve the budgeting and fiscal management system.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) A statement is laid on the Table of the House.

Statement

(a) to (c) After achieving an average growth rate of 7.5 percent per annum in terms of real Gross Domestic Product (GDP) during 1994-95 to 1996-97 the growth rate decelerated to 5 percent in 1997-98. The deceleration in the growth rate is mainly due to a fall of agricultural value added by 2 percent in 1997-98 and a sharp slowdown in industrial growth.

There is no quantifiable direct relationship between Government expenditure and the growth rate of the Gross Domestic Product. The following table below shows the variation between Budget Estimates & Revised Estimate of Plan and Non-Plan expenditure during the years 1995-96 to 1997-98. The improvement in budgeting and fiscal expenditure management is a continuing exercise.

(Rs. in Crore)

	Budget Estimates			Revised Estimates			%increase in R.E. over B.E.	Actual			%increase in actuals over B.E.
	Plan	Non-Plan	Total	Plan	Non-Plan	Total		Plan	Non-Plan	Total	
1995-96	48500	123652	172152	48684	134320	183004	6.30	46374	131901	178275	3.56
1996-97	54685	149975	204660	54894	147404	202298	-1.15	53534	147473	201007	-1.78
1997-98	62852	169324	232176	60630	174615	235245	1.32	*	*	*	*

*Under compilation

The department-wise details of the Budget Estimates and Revised Estimates of expenditure and variation between them have been given in Statement No. 2 of Expenditure Budget Vol. 1 for Budget 1996-97 and Budget 1997-98.

Investment by GIC

*353. SHRI RAMA CHANDRA MALLICK :
SHRI BHERU LAL MEENA :

Will the Minister of FINANCE be pleased to state :

(a) the quantum of investment made by the General Insurance Corporation of India in the private sector industry; and

(b) the names of top ten companies in terms of the total investment made by the GIC and subsidiaries, company-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF

FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Out of total investment of Rs. 17,594.22 crore made by GIC and its subsidiaries an amount of Rs. 6120.06 Crore has been invested in private sector industry upto 31.5.1998.

(b) List of top ten companies in terms of total investment made by GIC and its subsidiaries is given in enclosed Statement.

Statement

List of the top ten companies in which GIC and its subsidiaries have made investment as on 31.5.1998.

S. No.	Name of the Company	Aggregate of Investment (Rs. In Crores)
1.	Industrial Credit and Investment Corporation of India	408.02
2.	Industrial Development Bank of India	296.67
3.	Reliance Industries Ltd.	292.05
4.	Industrial Finance Corporation of India	261.42
5.	GIC Housing Finance Limited	208.33
6.	Mahanagar Telephone Nigam Ltd.	192.09
7.	Tata Iron and Steel Company Ltd.	186.40
8.	Reliance Petroleum Ltd.	173.00
9.	Malvika Steel Ltd.	142.06
10.	Essar Steel Ltd.	101.83

New Industrial Policy

*354. SHRI ASHOK NAMDEORAO MOHOL :
SHRI VITHAL TUPE :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the new Industrial Policy of the Government has failed to achieve the anticipated industrial development;

(b) if so, the facts thereof;

(c) whether the Government have ascertained the reasons for slow progress in implementing the new policy;

(d) if so, the details thereof; and

(e) the corrective measures proposed to be taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (e) Government is committed to a policy of promoting investment and industrial growth. The Industrial Policy of the Government is aimed towards

building on the gains already made, and maintaining a sustained growth in production and gainful employment.

Industrial investment intentions recorded between 1991 and May, 1998 exceed 36 thousand with proposed investment of Rs. 718 thousand crores. The amount of foreign direct investment (FDI) approved since 1991 till May, 1998 is Rs. 1,62,741 Crores. Per annum industrial growth was 5.6% in 1996-97 and 6.6% in 1997-98.

In order to encourage industrial growth, a number of steps have been taken. The recent measures include providing access to Corporates to Global Depository Receipts/External Commercial Borrowing Window to obtain credit at globally competitive rates, reduction in interest on the rupee export credit from 11% to 6.5%, raising the limit of investment of non-Resident Indians, rationalization of the tariff structure to remove the dis-advantages faced by the domestic industry and restore level playing field, further delicensing of industries from the purview of compulsory licensing under the Industries (Development & Regulation) Act, 1951, permitting Foreign Direct Investment upto 100% for power projects provided foreign Direct Investment is upto Rs. 1500 Crores, other measures to simplify procedures, etc.

Purchase of Cotton by CCI

*355. SHRI K. YERRANNAIDU : Will the Minister of TEXTILES be pleased to state :

(a) whether the cotton growers in Andhra and other States have suffered loss due to the attack of pest;

(b) if so, the names of districts in those States which have been affected;

(c) whether the Union Government have issued instructions to the Cotton Corporation of India to commence purchases of cotton to help the farmers affected by pest; and

(d) if so, the progress made in this regard?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) Yes, Sir.

The names of the districts affected are as under :

Sl.No.	Name of State	Names of districts
1	2	3
1.	Punjab	1. Ferozepur 2. Bhatinda 3. Mansa 4. Muktsar 5. Faridkot