

THE MINISTER OF FINANCE (YASHWANT SINHA) : (a) and (b) Foreign Direct Investments in Indian Companies is made either by offer of new shares or by sale of existing shares with the approval of the Board of the company. All such investments are considered for approval under the guidelines for foreign direct investments by Foreign Investment Promotion Board (FIPB) or Reserve Bank of India (RBI) as the case may be.

(c) and (d) The acquisition of existing shares of an Indian company by any other company is governed by Securities & Exchange Board of India (SEBI) (Substantial Acquisition of Shares and Takeovers), Regulations 1997.

(e) to (g) The activities of non banking financial companies are regulated under the Reserve Bank of India (Amendment) Act, 1997. Reserve Bank of India (RBI) have issued detailed guidelines on January 2, 1998 subsequently revised on January 31, 1998 regarding norms of deposit acceptance, prudential norms etc. for various categories of Non Banking Financial Companies (NBFCs).

[English]

#### Seizure of Gold

3586. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether gold worth Rs. 3.68 crore was clandestinely removed from an import shed at Air Cargo complex at Indira Gandhi International Airport recently;

(b) if so, whether the Government had inquired into the matter; and

(c) if so, the details thereof and the action taken thereon?

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) to (c) There are no reports of any recent clandestine removal of gold from an Import Shed at Air Cargo Complex at IGI Airport, New Delhi. Perhaps the Hon'ble Member has in view the case where recently a seizure of gold and certain other articles worth Rs. 3.68 crores was effected by Customs at Air Cargo Complex, Delhi. The facts of the case are that acting on a specific information, that certain consignments containing huge amounts of contraband items from a particular consigner in Hong Kong were to arrive by a United Airlines Flight and which were likely to be removed from the Import Shed of Air Cargo Complex, IGI Airport clandestinely, without filing of documents, the officers of Headquarters Preventive Unit of Commissionerates of Customs at IGI Airport, New Delhi, kept a surveillance. They were able to trace out two such

consignments. The officers examined the said two consignments, which had arrived from Hong Kong by United Airlines Flight No. UA-001. vide Airway Bills No. 0165775 2973 and 016 5775 2962 on the night of 17.6.1998. The goods covered by the said Airway Bills were declared to be Automobile car parts and Metal fittings. However, the examination of these consignments resulted in the recovery of 600 gold biscuits of 10 Tolas each valued at Rs. 2.95 crores, and other misc. goods i.e. LCD Display modules, watch parts, calculators and computer parts, valued at Rs. 73.14 lakhs, collectively valued at Rs. 3.68 crores. All those goods were seized for misdeclaration and contravention of the provisions of the Customs Act, 1962. The two consignments were booked in the name of M/s Marita Enterprises, 12-C, Sri Nagar, Shakur Basti, Delhi and M/s S.N. Impex, 308-c/55, Suneja Towers, Janakpuri, New Delhi respectively. The address of the consignee mentioned in the first Airway Bill, was found to be nonexistent, whereas the address in respect of the second Airway Bill was found to be fictitious. However, the first consignee's actual address was ascertained and the premises were searched, which resulted in recovery of a rubber stamp and a tin sign board of the consignee i.e. M/s Marita Enterprises. The occupant of the premises Shri Brij Mohan Behl was interrogated and subsequently placed under arrest. Further investigations are in the progress. Appropriate action for adjudication of seized goods/prosecution against the concerned persons etc. will be taken after completion of investigations.

#### Indo-China Cooperation in Coal Sector

3587. SHRI R. SAMBASIVA RAO : Will the Minister of COAL be pleased to state :

(a) whether India and China have decided to cooperate in coal sector;

(b) if so, whether any agreement between the two countries have been signed;

(c) if so, the details of the agreement; and

(d) the extent to which China will help in the coal sector?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Yes, Sir.

(b) Yes, Sir.

(c) Coal India Limited (CIL) has signed four separate contracts in respect of four mines viz. Balrampur, Rajendra, New Kumda and Churcha West with China National Coal Mining Engineering Equipment Group Corporation, China in September, 1995. The provisions of the contracts provide for supply of powered support longwall equipment, expert services for installation, commissioning and operation of the equipment for a specified period of 150 continuous working

days to demonstrate the guaranteed production from these four projects. The value of these four contracts is as under :

| Name of the contracts | Value in US\$ Million |
|-----------------------|-----------------------|
| 1. Balrampur          | 7.271                 |
| 2. Rajendra           | 3.369                 |
| 3. New Kumda          | 7.271                 |
| 4. Churcha West       | 9.754                 |

85% of the above contract amounts are covered by Chinese credit.

(d) In the 4th Indo-China Working Group Meeting held in November, 1997 the Chinese side have proposed help in following areas :

1. Development of greenfield projects.
2. Briquetting of Indian Coal.
3. Co-manufacture of PSLW equipment spares, and
4. Co-manufacture of electric side discharge loader.

#### **Hotel Industry**

3588. SHRI RAMKRISHNA BABA PATIL : Will the Minister of TOURISM be pleased to state :

(a) whether there has been an adverse effect in the Hotel Industry after the Pokharan tests;

(b) if so, the details thereof;

(c) whether the corporate delegations scheduled to visit India and had booked hotels in the country, have cancelled the visit;

(d) if so, the details thereof; and

(e) the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) and (b) There has been a limited effect on the hotel industry during the month of May and June which can be attributed to several factors like the World Cup - SOCCER, sanctions etc.

(c) and (d) A few cancellations have been reported by the hotels of the business delegations from countries like USA, Australia, Belgium and Germany. Also business visits from the World Bank and ADB have been reduced. The occupancy levels in the business segment in the major cities is lower than last year through-out the six month period.

(e) The Ministry of Tourism is of the opinion that this is a temporary phenomenon, and have been reassuring potential visitors through its marketing offices about the

stable business and political environment in the country, both in the business and leisure segments.

#### **New Funding Pattern of Growth Centres**

3589. SHRI P.R. KYNDIAH : Will the Minister of INDUSTRY be pleased to state :

(a) the present status of implementation of setting up of Growth Centre proposed at Mendipathar (Meghalaya) and the quantum of funds released for the purpose so far:

(b) whether under the new funding pattern based on the Prime Minister's new initiatives, the Growth Centres in the North-East region would receive the entire expenditure as Central assistance subject to a ceiling of Rs. 15 crores: and

(c) if so, whether the Government propose to release the balance funds at enhanced rate for early implementation of the Mendipathar Growth Centre?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) The Growth Centre at Mendipathar in Meghalaya was approved by the Government in October, 1997. The first instalment of Rs. 50 lakhs has also been released on approval.

(b) and (c) Yes, Sir. Released of funds is made depending upon the progress achieved by the State Government/its implementing agency in implementation of the growth centre.

#### **Support Price of Cotton**

3590. SHRI S.S. OWAISI : Will the Minister of TEXTILES be pleased to state :

(a) the number of times the support price of cotton has been increased during the last three years along-with the price increased each time; and

(b) the steps taken by the Government to check the rise in market price of cotton?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) The Minimum Support Prices (MSP) for the basic varieties of cotton viz. F414/H777 and H-4 are announced by the Ministry of Agriculture, Government of India. The table below indicates the MSPs announced over the last three years :

| (Rs. per quintal) |               |               |
|-------------------|---------------|---------------|
| Year              | Basic Variety | MSP announced |
| 1995-96           | F414/H777     | 1115.00       |
|                   | H4            | 1350.00       |
| 1996-97           | F414/H777     | 1180.00       |
|                   | H4            | 1380.00       |
| 1997-98           | F414/H777     | 1330.00       |
|                   | H4            | 1530.00       |