

Hawala Scam

2439. SHRI JANG BAHADUR SINGH PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether the investigation wing of the income-tax department has unearthed hawala scam in Mumbai amounting to Rs. 150 crores involving many leading corporates and institutions;

(b) if so, the details thereof; and

(c) the steps taken to tighten the grips around hawala racketeers?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSION AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE & INSURANCE) (SHRI KADAMBUR M.R. JANARATHANAN) : (a) Yes, Sir.

(b) and (c) The search and seizure operations conducted by the Investigation Directorate of the Income-tax Department at Mumbai has resulted in detection of large scale hawala operation which included issue of bogus bills for sales, services and expenses to various beneficiaries and bogus leasing of wind mills, without any assets. The funds arising out of these hawala transactions were found to have been either withdrawn in cash at the behest of the beneficiaries or diverted and siphoned off. Necessary further investigations as required are in progress.

Foreign Institutional Investors

2440. SHRI S.S. OWAISI : Will the Minister of FINANCE be please to state:

(a) The number of public sector companies and public sector banks approached the RBI to increase the ceiling of foreign institutional investors share holding in the respective banks and companies;

(b) the total number of proposals pending with RBI and the number of proposals cleared by the RBI during the last two years;

(c) whether there is an undue delay on the part of the Government to clear these proposals;

(d) if so, the reasons therefor; and

(e) the criteria adopted for increasing the ceiling of foreign institutional investors?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) 15 (fifteen) Public Sector Companies have been given permission to increase the Foreign Institutional Investors (FIIs) shareholding from 24% to 30% by Reserve Bank. The enhanced limit is not applicable to Public Sector Banks. 2 (two) proposals are pending clearance with RBI for want of additional information.

(c) and (d) Such proposals are cleared at the level of Reserve Bank if they are otherwise in order and do not require Government of India clearance.

(e) A revision in the aggregate portfolio investment limits by all FIIs, NRIs and OCBs from 24% to 30% of the issued and paid up capital of a company is permitted subject to:

(i) Approval by the Board of Directors of the Company to the enhanced limit upto 30%; and

(ii) A Special Resolution passed by the General Body of the company approving the enhanced limit upto 30%.

[Translation]

Growth Rate of Textile Production

2441. SHRIMATI SURYAKANTA PATIL : Will the Minister of TEXTILES be pleased to state:

(a) the growth rate of textile production during 1997-98 till April, 1998 as compared to previous two years;

(b) the reasons for sharp decline in the growth rate;

(c) the targeted growth rate fixed and the anticipated achievement likely to be made during the current year; and

(d) the steps proposed to be taken by the Government to step up the pace of textile production?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Textile production and rates of Growth during the years 1995-96, 1996-97 and 1997-98.

Item	Unit	1995-96		1996-97		1997-98 (Provisional)	
		Production	Rate of Growth	Production	Rate of Growth	Production	Rate of Growth
Total Yarn (Spun Yarn+ Filament Yarn)	Mn.Kg.	2978	14%	3396	14%	3754	11%
Cloth	Mn.Sq.Mtr.	31891	11%	34813	9%	36701	5.4%