

of Uttar Pradesh for the development of tea plantations with financial assistance from the Tea Board.

(c) and (d) The expansion of tea plantation in the entire State of Uttar Pradesh would depend on the success of the above stated two projects.

[English]

Import of Gold by MMTC

3515. DR. BIZAY SONKAR SHASTRI : Will the Minister of COMMERCE be pleased to state :

(a) whether attention of the Government has been drawn to the news-item captioned "MMTC ki swarn aayat yojana main ghaple hi ghaple", appearing in the Dainik Jagaran dated June 13, 1998;

(b) if so, the facts and details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) and (c) MMTC started importing gold as an authorised agency for supply to the Export Oriented Units (EOUs) and Export Processing Zones (EPZs) since 1988 and to the jewellery manufacturers in the Domestic Tariff Area (DTA) in 1992. It has been reported by the MMTC that out of the total quantity of 85,325 kgs of gold released during the period between 1988-89 to 1996-97, the exporters in EOU/EPZ complexes had defaulted exports of 265 kgs which also included 172 kgs of gold unauthorisedly removed by the exporters. MMTC has filed criminal complaints for unauthorised removal of gold by exporters from the bonded area. Legal/arbitration proceedings have also been initiated against defaulting exporters. These cases have also been referred to investigating agencies including CBI, DRI, Enforcement Directorate and DGFT for enquiry. All four cases of default in DTA have also been referred to CBI for investigation. The Associate scheme operated by MMTC has since been discontinued from August, 1995 and appropriate action has been initiated against defaulters under the scheme. With regard to supply of gold by United Bank of Switzerland, MMTC had appraised CAG that the offer of the Bank of Nova Scotia, on consignment basis, was not competitive vis-a-vis UBS. Regarding the operation of foreign buyer scheme by MMTC against supply of gold, MMTC has reported that only one of the leading exporters from India, who had the manufacturing capability, had shown interest and MMTC had made profit out of the operation after recovery of full expenses.

Credit Policy

3516. SHRI N.K. PREMCHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government consider to evolve a new Credit Policy to encourage financing in infrastructure sector; and

(b) if so, the details thereof?

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) and (b) Reserve Bank of India (RBI) has reported that the monetary and credit policy is so framed as to ensure that genuine credit needs of the economy, which include infrastructure, are adequately met. Banks were given the discretion in September, 1997 by RBI to sanction term loans to all projects including infrastructure projects within the overall ceiling of the prudential exposure norms prescribed by RBI viz. 25 per cent of the capital funds in the case of an individual borrower and 50 per cent in the case of a borrower group. The Group exposure norm of 50 per cent has also been permitted to be exceeded to the extent of 10 per cent provided the additional exposure is for the purpose of financing infrastructure projects viz. projects in areas of power, telecommunications, roads and ports.

Import of Used Tyres

3517. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state :

(a) whether the used tyres are being imported to our country;

(b) if so, the details regarding the import and the countries from which these imports were made during the last two years;

(c) whether the Government are aware that these import had adversely affected the price of raw rubber in the country;

(d) if so, whether the Government have received any representations from some organisations to ban the import of used tyres; and

(e) if so, the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (e) The import of used tyres was permitted freely in the Exim Policy w.e.f. 1.4.1997. However, on representation from various quarters the Government has prescribed a minimum c.i.f. value per tyre to restrict indiscriminate import of such tyres w.e.f. 8.8.1997.

Used tyres at present can be imported freely only if per tyre c.i.f. value is US\$ 175 and above for buses, lorries, bigger size vehicles and light commercial vehicles and US\$ 25 and above for passenger automobile vehicles etc. The import of used/retreaded tyres during April, 1997-February,