

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Export of tea from India during the last three years have been as under:

| Year | Qty. (Mn. Kgs) | Value | |
|---------|-------------------|--------------|------------|
| | | (Rs. Crores) | (US\$ Mn.) |
| 1995-96 | 167.47 | 1244.52 | 372.08 |
| 1996-97 | 169.04 | 1301.46 | 366.62 |
| 1997-98 | 211.76* | 1953.91* | 525.74* |

*Estimated.

(c) and (d) No, Sir. Export of tea during 1997-98 has registered an increase both in volume and value terms over the previous year.

[English]

Trade Centres at Myanmar

1564. SHRI K.A. SANGTAM : Will the Minister of COMMERCE be pleased to state:

(a) the number of trade centres set up on the border for trade with Myanmar;

(b) whether proper road and communication link has been established with trade centres from the rest of Nagaland;

(c) if not, the reasons therefor; and

(d) the action being taken in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) At present, border trade with Myanmar is taking place through the designated Custom Post at Moreh in Manipur.

(b) to (d) Special Central assistance on 100% grant basis is being given to Nagaland under Border Area Development Programme for construction of roads as selected by State Level Screening Committee in the border blocks facing Myanmar, Government of Nagaland have taken up construction of three roads namely (i) Pangsha-Naklak road (ii) Longwa-Phoniching road, and (iii) Pokungri-Avankhu Road, which may facilitate border trade with Myanmar.

Revision of Export Target by TPC

1565. SHRI M. BAGA-REDDY : Will the Minister of TEXTILES be pleased to state:

(a) whether the Textiles Promotion Council (TPC) has agreed to revise the target of exports;

(b) whether the Textiles Industry has also decided to set up an action plan in this regard;

(c) the details of the proposed plans made by the Textiles Exporters; and

(d) the extent to which these measures are likely to help to achieve the export growth rate of 20% set by the Government?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) to (d) The targets for exports of textiles are fixed annually, in consultation with the textiles Export Promotion Councils. The industry has been making efforts for increasing exports and achieving targets. The performance of the EPCs is reviewed periodically.

Steps taken to encourage the export of textiles and garments, include encouraging exporters to participate in buyer-seller meets, fairs and exhibitions, enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export production, etc.

Action Plan for Financial System

1566. SHRI RAMKRISHNA BABA PATIL : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have drawn up an action plan to form the basis of architecture of financial system of the future; and

(b) if so, the details of the plan?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The Discussion paper prepared by the Reserve Bank of India (RBI) on "Harmonising the Role and Operations of Development Financial Institutions and Banks" (January 1999) has envisaged the architecture of Financial System of the Future on the following lines:

(1) The provision of diversified services both by banks and Development Financial Institutions (DFIS) should continue, *albeit* in a gradual

and orderly fashion, subject to appropriate regulation by the RBI.

- (2) In terms of institutions, ultimately there should be only banks and re-structured Non-Banking Financial Companies (NBFCs).
- (3) The special role of DFIs is recognised and a transitional path is envisaged for them to become either a full-fledged NBFC or a Bank.
- (4) Since Banks are special, any conglomerate in which a bank is present, should be subject to a consolidated approach to supervision and regulation.
- (5) A corporate form of organisation under the Companies Act is preferred to provide the financial intermediaries, necessary flexibility for mergers, acquisitions and diversification to meet the needs of the evolving situation.
- (6) The supervisory functions are to be delinked from refinancing institutions and brought under a consistent supervisory framework.
- (7) The ownership role should be transferred from the RBI to the Government of India in respect of financial intermediaries so that there is a focussed attention by the RBI on its supervisory/regulatory functions.
- (8) The harmonisation in the working of various institutions should be at the initiative of the organisations themselves with the RBI being available for guidance and consultation.
- (9) Various efficiency issues pertaining to each organisation have to be addressed individually by the banks/DFIs, who are encouraged to deliberate among themselves and take necessary decisions urgently.

119070
Bank Losses (Bank 1-3)

1567. SHRI K.S. RAO :
SHRI RAMKRISHNA BABA PATIL :

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Mark-to-Mkt. losses of banks at Rs. 800 Cr." appearing in the "Business Standard" dated February 2, 1999;

(b) if so, whether the Government have adopted any strategy to check such losses; and

(c) 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) Yes, Sir.

(b) and (c) Investments made by banks in Government securities and other approved securities are categorised as 'current' or 'permanent' in the proportion envisaged by RBI's instructions from time to time. 'Current' securities are to be valued on the basis of their market price on the date of such valuation and where market quotations are not available, on the basis of Yield to maturity rate (YTM) prescribed by RBI, and any short-fall in valuation is to be provided for while no credit is taken for any appreciation in value. Hence the provisions made while marking 'current' securities to market constitute a notional loss at the end of each financial year. The actual loss, if any, can be determined only at the time the securities are finally disposed off.

17000
Production Growth of CCI

1568. SHRI ARJUN SETHI : Will the Minister of INDUSTRY be pleased to state:

(a) the turnover of the Cement Corporation of India achieved during the last three years in terms of production and revenue earnings;

(b) whether the growth of Cement Corporation of India has been slowed down; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) The details of production and sales during the last three years (1995-96, 1996-97 and 1997-98) are given below :—

| | 1995-96 | 1996-97 | 1997-98 |
|--------------------------------|---------|---------|---------|
| Production (Lakh MT) | 19.56 | 17.20 | 9.85 |
| Sales Turnover (Rs. in crores) | 436.86 | 405.11 | 236.92 |

(b) and (c) Yes, Sir. The growth of Cement Corporation of India has slowed down during the last three years in terms of production and sales turnover.