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.

Bank Losses

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.

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 due to various reasons such as lower capacity utilisation on account of power shortage, liquidity problems; sluggish market conditions etc.

Trade Relation with Great Britain

1569. SHRI TATHAGATA SATPATHY : Will the Minister of COMMERCE be peased to state:

(a) whether the Government have a proposal to expand trade relation with Great Britain;

(b) if so, the details thereof and the steps taken in this regard during each of the last three years;

(c) whether the new areas have been identified for expanding trade relations beween both the countries during 1999-2000; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (d) It is Government's endeavour to improve trade relations with all its trading partners including Great Britain. The measures to improve trade relations are on-going activities on the part of the Government and the private sector. These include interaction with the trading partners, both at Government and at business level, for addressing policy level issues; assistance for participation in international trade fairs; exchange of business delegations; conducting market survey; dissemination of commercial information; extending necessary facilities to commercial organisation etc.

A meeting of the Commercial Representatives of India located in select EU countries was held in London in May 1998. This meeting addressed the various issues relating to increasing bilateral trade with EU countries. Processed food products, electronic software, auto ancillaries, speciality garments, pharmaceuticals/herbal products and value added granites are some of the new areas for expansion of India's exports to EU countries including Great Britain.

[Translation]

Development of Mine Industry

1570. SHRI BRAJ MOHAN RAM : Will the Minister of STEEL AND MINES be pleased to state:

(a) the steps being taken by the Government for the development of mine industry in the country, particularly in Bihar;

(b) the total revenue earned during each of the last three years from this Sector, State-wise; and

(c) the details of minerals exported from the country during each of the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) Government of India announced National Mineral Policy in 1993 for the development of mining sector in India which is equally applicable to all States including Bihar. This was followed up by amending the Mines and Minerals (Regulation and Development) Act, 1957 in January, 1994. Further, in October, 1996, guidelines were issued for granting prospecting licences over large areas upto 10,000 sq. kms. subject to certain conditions with a view to encouraging state-of-the-art technology in the field of aerial prospecting. Foreign equity upto 50% in the mineral sector has been permitted under automatic route which may also help in development of mine industry. However, the automatic route is not available for mining projects related to gold, silver, diamond and precious and semi-precious stones which are to be approved on case to case basis by the Foreign Investment Promotion Board. Government has also permitted automatic approval route for foreign equity participation upto 74% for services incidental to mining *viz.* drilling, shafting, reclamation of mines, surveys/ mapping (excluding services related to gold, silver and precious/semi-precious stones) and basic metals and alloys industries. A committee under the Chairmanship of the then Secretary in the Ministry of Mines was also constituted in February, 1997 to review the existing laws and procedures for regulation and development of minerals and to suggest steps to make them compatible with the changed policies. The Committee has since submitted its report and action for amendment in the Mines and Minerals (Regulation and Development) Act, 1957 has already been initiated.

(b) As per information available with Indian Bureau of Mines the State-wise royalty accruals on major minerals