

(c) to (e) There is no plan to allot quota and reserve items for the mills, powerloom and handloom sector except to the extent of existing reservation of 11 items for production under the handloom sector and annual quotas for exports of raw cotton and low count cotton yarn.

[Translation]

**Protection to Domestic Industry**

\*153. SHRI RAMPAL SINGH :

SHRI V.V. RAGHAVAN :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are aware of the negative impact of the steep reduction in import tariff on project imports and finished products on the domestic industry;

(b) if so, the details thereof;

(c) whether the Government are considering a proposal to bring about a legislation to protect the domestic industry;

(d) if so, the details thereof?

(e) whether the Government have received representations from small scale industries in this regard; and

(f) If so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (f) There have been representations from the capital goods industry about an adverse impact of reduction in import duty rates. A number of policy initiatives have been proposed in the recent Budget including 8 per cent non-modvatable levy on imports of a wide range of goods.

[English]

**L.C. Gupta Committee**

\*154. DR. RAMKRISHNA KUSMARIA :

DR. T. SUBBARAMI REDDY :

Will the Minister of FINANCE be pleased to state:

(a) whether L.C. Gupta Committee appointed by the Securities and Exchange Board of India (SEBI) has finalised and submitted its report on the introduc-

tion of equity based derivatives in the Indian capital market;

(b) if so, the details thereof;

(c) the action taken thereon; and

(d) the time by which the said derivations are likely to be introduced?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The L.C. Gupta Committee appointed by the Securities and Exchange Board of India (SEBI) to recommend an appropriate regulatory framework for the introduction of derivatives trading in India has submitted its report to SEBI.

(b) The report of the Committee consists of two parts. Part I of the Report focuses on the economic justification and regulatory structure for the introduction of derivatives trading in India and Part II is the suggested bye-laws for regulation and control of trading and settlement of derivatives contracts. The recommendations include phased introduction of equity derivatives, operation of derivatives exchanges as effective self-regulatory organizations under the overall supervision of SEBI, stringent entry requirements for brokers/dealers for derivatives market, improvements in underlying cash markets etc. Copies of the report are publicly available.

(c) The SEBI Board considered the report of the Committee as its meeting held on May 11, 1998 and accepted most of the recommendations.

(d) SEBI will take an appropriate decision when systemic, institutional and regulatory arrangements for derivatives trading are in place.

**Patent of Various Products**

\*155. SHRI SUSHIL KUMAR SHINDE :

SHRI BRAJA KISHORE TRIPATHI :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are aware that steps are being taken by the US and other European countries to have various vegetables and other botanical products like Neem, Turmeric and their formulations already in vogue in Ayurveda and other Indian Systems of Medicines patented through the World Trade Organisation (WTO);

(b) if so, the details thereof;