

Participation of Financial Institution in Private Sector

3500. SHRI O.P. JINDAL: Will the Minister of FINANCE be pleased to state:

(a) whether any demand has been made by PHD Chamber of Commerce and Industry to review the investment policy for reducing the participation of financial institutions in the private sector,

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) In a representation received from the PHD Chamber of commerce and Industry some days ago the Chamber has requested the Government to review the policy regarding disinvestment of financial institutions holding in private sector to give fillip to the speedy industrial growth. The main proposals put forward by the Chamber are that

(1) All shares acquired on preferential terms should either be :

(i) converted into non-voting shares; or

(ii) offered for sale to the existing promoters at market rates; or

(iii) offered to existing promoters at contracted rates with a deferred payment facility at a rate of interest not higher than the prime lending rate

(2) A transparent policy offering a one time correction applicable for a period of one to two years, may be evolved facilitating existing promoters to significantly increase their shareholdings in companies they run.

(c) No such review is under consideration of the government at present.

Reconstitution of Central Advisory Boards

3501. SHRI KASHIRAM RANA : Will the Minister of

INDUSTRY be pleased to state

(a) whether the Government reconstitute the Central Advisory Board for Salt every year; and

(b) the details of the guidelines laid down for the purpose and the composition thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir. The Central Advisory Board for Salt has a term of three years.

(b) The Central Advisory Board for Salt is chaired by the Industry Minister and the Salt Commissioner is the Member Secretary. Members of the Board are nominated from following categories :

- Representatives of Central and State Governments (both salt producing States and non-salt producing States).
- Representatives of salt/iodised salt and refined salt manufacturers;
- Representatives of salt manufacturing co-operative societies;
- Representatives of alkali manufacturers; and
- Persons having knowledge and experience in Public Affairs

Foreign Investment

3502. SHRI P.R. DASMUNSI:
SHRI SAMIK LAHIRI

Will the Minister of INDUSTRY be pleased to state the actual inflow of foreign direct investment during each of the last three years, sector-wise?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : Actual inflow of foreign direct investment is monitored by Reserve Bank of India. As reported by Reserve Bank of India, sector-wise break of actual inflow of foreign direct investment during each of the last three years (92-95) is given in the attached statement.