

SHRIMATI LAKSHMI PANABAKA :  
 DR. T. SUBBARAMI REDDY :  
 SHRI PANKAJ CHOUDHRY :  
 SHRI RAJENDRA AGNIHOTRI :

Will the Minister of FINANCE be pleased to state :

- (a) whether an extraordinary delay is made in sanctioning the proposals of foreign direct investment;
- (b) if so, the reasons therefor;
- (c) whether the Government propose to formulate rules for accordng speedy automatic clearance to the projects of all sectors;
- (d) if so, the details thereof;
- (e) the time by which the above rules are proposed to be finalised;
- (f) the extent to which it is likely to help the investors; and
- (g) the details of cases found violation of rules, received and the action taken by the Government thereon?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (g) Foreign Investment Promotion Board (FIPB) has been following 6 weeks time frame for disposal of FDI proposals. In the budget speech a time frame of 30 days has been stipulated. Majority of the FDI proposals are disposed of within the time frame except in case of the proposals where the sectoral policy has not been clearly defined. Govt. has been expanding the list of the industries in Annexure-III qualifying for automatic approvals. Recently Govt. has allowed 100% FDI under automatic route in power sector for electric generation, transmission and distribution as also roads and highways, ports and harbours and vehicular tunnels and bridges provided foreign equity does not exceed Rs. 1500 crore.

[English]

#### **.Diamonds Stolen from Custom House**

2580. SHRI MOHAN RAWALE : Will the Minister of FINANCE be pleased to state :

- (a) whether the diamonds worth over Rs. 60 lakhs meant for auction were stolen from the Customs House strongroom in Mumbai in June, 1998;
- (b) if so, whether some persons have been arrested in this regard; and
- (c) if so, the action taken against them?

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. A case of substitution of certain costlier varieties of diamonds-by inferior varieties, differential value estimated over Rs. 60 lakhs, while lying in the Custom House strong room at Mumbai has come to light as a result of investigations initiated on receipt of an information in June, 1998. Exact period of substitution is not yet known.

(b) and (c) Based upon the findings of preliminary investigations two Customs Officers-a Superintendent and a Preventive Officer, who were the custodians of the strong room at relevant time were placed under immediate suspension. The case was handed over to the Crime Branch of the Mumbai Police in August, '98 who during the course of investigations arrested the suspected Custodians in November, 1998 for their prima-facie involvement in the substitution of diamonds. The investigations are still under progress. Appropriate stringent penal action will be taken against the Departmental officers and outsiders found involved in the criminal misappropriation of Government property, on completion of investigations.

[Translation]

#### **Setting up Industries with Foreign Investment**

2581. SHRIMATI SURYAKANTA PATIL :  
 SHRI A. VENKATESH NAIK :  
 SHRI MADAN PATIL :  
 SHRI GAJENDRA SINGH RAJUKHEDI :

Will the Minister of INDUSTRY be pleased to state :

- (a) whether the Government have received any proposals from abroad for setting up of industries in India;
- (b) if so, the details thereof;
- (c) the number of proposals cleared so far, State-wise;
- (d) the number of foreign or joint venture industries with foreign participation set up in the country during the last three years, sector-wise and State-wise;
- (e) the number of local people employed therein;
- (f) whether any survey has been conducted by a foreign company regarding possibility of setting up of industries in some particular area; and
- (g) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (g) Sir, details of Sector-wise and State-wise number of foreign or joint venture proposals cleared by Foreign Investment Promotion Board during the last three years are at Statements I and II respectively.

Data on employment generation with specific linkage to FDI is not centrally maintained. Employment linkage is with reference to industrial approvals i.e. Letters of Intent (for licensed sectors) and IEMs (for delicensed sectors). Such approvals are inclusive of projects involving FDI. Therefore, the employment projections made in LOIs/IEMs are indicative of the employment likely to be generated as a result of Government's New Industrial Policy, 1991 including the policy on foreign investment. During the entire post policy period (i.e.

August, 1991 to December, 1998) 41220 IEMs/LOIs/EOUs were filed envisaging investment of Rs. 815057 crores, employment opportunities for over 72.89 lakh persons.

Several consultancy agencies do take up general as also specific study/survey on the potential of investment on behalf of their clients. However, Government has not commissioned any such survey by a foreign company or foreign owned Indian company.

#### Statement-I

*Sector wise break-up of foreign direct investment and Technical Collaboration approved during the period (01/01/1996 to 31/12/1998)*

Sl. No.	Name of Industry	Total			Amount of FDI Approved (Rs. Crore)	% to Total Amount approved
		Total	Tech.	Fin		
1	2	3	4	5	6	7
<b>1. Metallurgical Industries</b>						
	Ferrous	146	77	69	4018.29	3.30
	Non-Ferrous	3	1	2	2.75	0.00
	Special Alloys	17	10	7	119.34	0.10
	Mining Service	22	6	16	1776.62	1.46
	Misc. (Other Items)—Metallurgy	39	6	33	1135.94	0.93
	<b>Total</b>	<b>227</b>	<b>100</b>	<b>127</b>	<b>7052.94</b>	<b>5.79</b>
<b>2. FUELS</b>						
	Power	127	12	115	22128.82	18.16
	OIL Refinery	100	44	56	13862.82	11.38
	Power (Other)	36	3	33	4874.50	4.00
	Oil Refinery (Other)	41	21	20	3911.98	3.21
	Others (Fuels)	52	15	37	1298.86	1.07
	<b>Total</b>	<b>356</b>	<b>95</b>	<b>261</b>	<b>46076.97</b>	<b>37.81</b>
3.	Boilers and Steam generating Plants	18	9	9	21.43	0.02
4.	Prime Movers other than electrical	32	20	12	73.78	0.06
<b>5. Electricals Equipment</b>						
	Electrical Equipment	513	242	271	2798.62	2.30
	Computer Software Industry	449	29	420	2266.83	1.86
	Electronics	144	46	98	1620.87	1.33
	Computer Hardware	2	0	2	0.19	0.00
	Others (S/W)	13	1	12	56.16	0.05
	<b>Total</b>	<b>1121</b>	<b>318</b>	<b>803</b>	<b>6742.67</b>	<b>5.53</b>

1	2	3	4	5	6	7
<b>6. Telecommunications</b>						
	Telecommunications	126	24	102	8021.53	6.58
	Radio Paging	14	3	11	811.14	0.67
	Cellular Mobile/Basic Telephone Service	42	8	34	4187.27	3.44
	Telecommunications (I&B)	41	2	39	994.60	0.82
	Others (Telecommunications)	15	1	14	707.40	0.58
	<b>Total</b>	<b>238</b>	<b>38</b>	<b>200</b>	<b>14721.94</b>	<b>12.08</b>
<b>7. Transportation Industry</b>						
	Automobile Industry	290	146	144	2644.13	2.17
	Air/Sea Transport	60	5	55	1059.98	0.87
	Passenger Cars	20	3	17	3090.98	2.54
	Auto Ancillaries/Parts	100	51	49	382.84	0.31
	Ports	7	0	7	520.50	0.43
	Others (Transport)	51	8	43	533.56	0.44
	<b>Total</b>	<b>528</b>	<b>213</b>	<b>315</b>	<b>8231.96</b>	<b>6.76</b>
8.	Industrial Machinery	407	210	197	523.88	0.43
9.	Machine Tools	69	26	43	216.45	0.18
10.	Agricultural Machinery	11	7	4	272.71	0.22
11.	Earth-Moving Machinery	15	7	8	70.37	0.06
12.	Miscellaneous Mechanical & Engineering	322	121	201	868.25	0.71
13.	Commercial, Office & Household Equipment	24	3	21	690.61	0.57
14.	Medical and Surgical Appliances	33	13	20	71.18	0.06
15.	Industrial Instruments	58	32	26	55.23	0.05
16.	Scientific Instruments	7	3	4	14.69	0.01
17.	Mathematical, Surveying and Drawing	4	1	3	38.25	0.03
18.	Fertilizers	22	19	3	243.24	0.20
19.	Chemicals (Other than fertilizers)	512	184	328	7670.79	6.30
20.	Photographic Raw Film and Paper	10	6	4	196.57	0.16
21.	Dye-Stuffs	8	1	7	80.99	0.07
22.	Drugs and Pharmaceuticals	147	80	67	392.24	0.32
23.	Textiles (Includ. Dyed. Printed)	254	39	215	1243.30	1.02
24.	Paper and Pulp including Paper Product	69	14	55	1854.47	1.52

1	2	3	4	5	6	7
25.	Sugar	5	1	4	947.25	0.78
26.	Fermentation Industries	15	4	11	337.48	0.28
27.	Food Processing Industries					
	Food Products	229	30	199	5936.21	4.87
	Marine Products	6	2	4	5.92	0.00
	Miscellaneous (Food Prod)	1	0	1	2.12	0.00
	<b>Total</b>	<b>236</b>	<b>32</b>	<b>204</b>	<b>5944.24</b>	<b>4.88</b>
28.	Vegetable oils and Vanaspati	9	0	9	150.14	0.12
29.	Soaps, Cosmetics and Toilet Preparations	27	9	18	234.18	0.19
30.	Rubber Goods	72	30	42	940.24	0.77
31.	Leather, Leather Goods and Pickers	57	10	47	137.03	0.11
32.	Glass	40	9	31	962.22	0.79
33.	Ceramics	52	7	45	412.73	0.34
34.	Cement and Gypsum Products	40	13	27	304.87	0.25
35.	Timber Products	5	1	4	9.45	0.01
36.	Defence Industries	2	1	1	3.47	0.00
37.	Consultancy Services					
	Design & Eng. Services	109	19	90	702.87	0.58
	Management Services	90	10	80	400.07	0.33
	Marketing	25	3	22	47.77	0.04
	Construction	6	0	6	7.95	0.01
	Others (Consultancy Service)	16	3	13	371.43	0.30
	<b>Total</b>	<b>246</b>	<b>35</b>	<b>211</b>	<b>1530.08</b>	<b>1.26</b>
38.	Service Sector					
	Financial	137	5	132	5906.23	4.85
	Non-Financial Services	125	11	114	1891.01	1.55
	Banking Services	8	0	8	57.23	0.05
	Hospitals & Diagnostic Centres	37	7	30	402.88	0.33
	Other Service	12	2	10	146.37	0.12
	<b>Total</b>	<b>319</b>	<b>25</b>	<b>294</b>	<b>8403.73</b>	<b>6.90</b>
39.	Hotel & Tourism					
	Hotel & Restaurants	152	56	96	934.65	0.77
	Tourism	29	6	23	705.57	0.58
	Other (Hotel & Tourism)	8	2	6	17.50	0.01
	<b>Total</b>	<b>189</b>	<b>64</b>	<b>125</b>	<b>1657.72</b>	<b>1.36</b>

1	2	3	4	5	6	7
40.	Trading	192	16	176	1089.73	0.89
41.	Miscellaneous Industries					
	Horticulture	38	12	26	96.53	0.08
	Agriculture	35	9	26	62.39	0.05
	Floriculture	48	24	24	187.03	0.15
	Diamond	3	0	3	37.56	0.03
	Ornament & Gold	3	0	3	3.01	0.00
	Construction Activities	12	0	12	15.15	0.01
	Tea/Coffee	2	2	0	0.00	0.00
	Cigarettes	2	1	1	7.35	0.01
	COIR	2	0	2	2.43	0.00
	Others (Misc. Industries)	271	134	137	953.26	0.78
	Total	416	182	234	1364.71	1.12
	Total	6414	1998	4816	121854.70	

#### Statement-II

*State-wise Break up of Foreign Collaboration and Foreign Direct Investment  
Proposals Approved during (January, 1996 to December, 1998)*

State	No. of Approvals			Amt. of FDI Approved (Rs. Crore)	% to Total
	Total	Tech.	Fin.		
1	2	3	4	5	6
Andhra Pradesh	267	62	205	6387.66	5.24
Assam	1	1	0	0.0	5.24
Bihar	61	35	26	146.66	0.12
Gujarat	332	154	178	7330.24	6.02
Haryana	269	116	153	1626.59	1.33
Himachal Pradesh	20	11	9	48.05	0.04
Jammu and Kashmir	3	2	1	8.01	0.01
Karnataka	518	127	391	11565.07	9.49
Kerala	67	19	48	504.05	0.41
Madhya Pradesh	91	25	66	6635.63	5.45
Maharashtra	1030	347	683	12904.66	10.59
Manipur	1	0	1	3.19	0.00
Meghalaya	4	0	4	52.96	0.04
Nagaland	2	1	1	3.68	0.00
Orissa	49	10	39	5836.87	4.79

1	2	3	4	5	6
Punjab	63	16	47	1154.04	0.95
Rajasthan	87	29	58	1759.17	1.44
Tamil Nadu	648	197	451	9382.32	7.70
Tripura	1	1	0	0.00	7.70
Uttar Pradesh	274	97	177	2112.75	1.73
West Bengal	196	74	122	3233.30	2.65
Andaman & Nicobar	2	0	2	12.80	0.01
Chandigarh	7	0	7	65.64	0.05
Dadra & Nagar Haveli	20	12	8	24.88	0.02
Delhi	391	69	322	9059.28	7.43
Goa	58	17	41	371.49	0.30
Pondicherry	29	11	18	157.14	0.13
Daman & Diu	13	4	9	14.82	0.01
Others	1910	561	1359	41453.74	34.02
<b>Total</b>	<b>6414</b>	<b>1998</b>	<b>4416</b>	<b>121854.69</b>	

[English]

#### Safety Rating

2582. SHRI G.M. BANATWALLA : Will the Minister of INDUSTRY be pleased to state :

(a) whether any company/industrial units in the country has obtained safety rating from the International Rating System (ISRS) by the Uk based agency, 'Det Norske Veritas';

(b) if so, the details thereof, company-wise;

(c) the highest level of rating obtained in our country; and

(d) the efforts being made to improve the level of rating including details of incentives being given for the purpose?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) The information is being collected and will be placed on the Table of the House.

#### Entry of Private Sector Into Insurance Business

2583. SHRI KAMAL NATH : Will the Minister of FINANCE be pleased to state :

(a) whether a meeting of officials of Life Insurance Corporation and General Insurance Corporation was recently held to assess their preparedness to face

competition in the event of entry of private sector into insurance business;

(b) if so, the outcome of the deliberations of the said meeting; and

(c) the reaction of the Government thereto?

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) to (c) Discussions are held from time to time with the Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and the subsidiary companies to review their performance and also involve measures to strengthen them further to face the competition as and when the sector gets opened up. The intention of the Government to open up the insurance sector was already announced by the Finance Minister in his 1998-99 Budget Speech. Consequent to this announcements, the Insurance Regulatory Authority Bill was introduced in the Lok Sabha on 15.12.1998. Second and Third Schedules to this Bill contain amendments to Life Insurance Corporation Act, 1956 and General Insurance Business (Nationalization) Act, 1972 to remove the exclusive privilege of the LIC, GIC and its four subsidiaries to transact insurance business. The Bill has since been referred to the Standing Committee on Finance who have recently taken Oral Evidence from the unions and managements of LIC, GIC and its