

LOK SABHA DEBATES

(English Version)

**Fourth Session
(Part-I)
(Eleventh Lok Sabha)**



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LOK SABHA DEBATES

LOK SABHA

Friday, February 21, 1997/Phalgun 2, 1918 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

OBITUARY REFERENCE

[English]

MR. SPEAKER : Hon'ble Members, I refer with pofound sorrow to the passing away of Mr. Deng Xiaoping, the renowned Chinese leader, on 19th February, 1997 at the age of 93.

Mr. Deng Xiaoping was a great leader of the Chinese people whose contribution to the modernisation of China will be ever remembered. Under his leadership China launched the process of economic reform and opening to the outside world, which has been responsible for raising the standards of living of the Chinese people and the integration of the Chinese economy with that of the world.

We recall the substantial contribution made by Deng Xiaoping in recent years to India-China relations. It was his historic meeting with the then Prime Minister Shri Rajiv Gandhi, during his visit to China in 1988, which reoriented our bilateral relations. On that occasion, he had emphasised the importance of cooperation between India and China, the need for the two countries to develop economically and for the establishment of a new international political order based on the five principles of peaceful coexistence.

In mourning the demise of Mr. Deng Xiaoping, we reaffirm our desire to build friendly, good neighbourly, constructive and cooperative relations with China for the prosperity of our two peoples.

I request the Members to rise in their places and observe silence for a short while as a mark of respect to the departed leader.

11.03 hrs

(The Members then stood in silence for a short while.)

SHRI JASWANT SINGH (Chittorgarh) : Mr. Speaker, Sir, I am doing an unusual thing, but it is because the situation is unusual that, very briefly, I wish to make a submission, through you, to the entire House.....(Interruptions)

SHRI P.C. THOMAS (Muvattupuzha) : Sir, I am on a point of order.

SHRI P.R. DASMUNSI (Howrah) : Sir, the Question Hour cannot be interrupted. We have to maintain the tradition.....(Interruptions)

SHRI RUPCHAND PAL (Hooghly) : Has the hon. Member given a notice for suspension of question hour ?

MR. SPEAKER : The hon. Member did not give notice. But I was prepared to listen to one or two sentences because he himself saying that it is an unusual thing that he is doing. The hon. Member himself has said so. As the hon. Member himself has admitted to have been doing a unusual thing, I thought I must hear one sentence or two.

SHRI JASWANT SINGH : I am mindful of the concern of the hon. Members about the Question Hour and the importance of the Question Hour. I shall be very brief in submitting to the entire House. I submit to the entire House that the fact that my Party would be absent from the House today is in itself a demonstration of the enormity of the question that confronts us in the State of Uttar Pradesh. I particularly wish to point out that ever since the President's Rule was wrongfully imposed in Uttar Pradesh.....(Interruptions)

MR. SPEAKER : I think you have made your point.

.....(Interruptions)

SHRI JASWANT SINGH : I refer only to the killings in the State of Uttar Pradesh in the last six or seven months. A very senior leader of our Party with almost four decades of public service has been killed.....(Interruptions)

MR. SPEAKER : We shall take up the questions now.

11.06 hrs.

ORAL ANSWERS TO QUESTIONS

[English]

Guidelines for Foreign Investment

+
* 3. DR. T. SUBBARAMI REDDY :
SHRI YELLAIAH NANDI :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have issued a number of guidelines for foreign investment in areas not covered under the automatic approval list;

(b) if so, the details thereof;

(c) to what extent the new guidelines have helped in increasing the foreign investment in India; and

(d) the total foreign investment proposals accepted so far?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) The details are given in the Annexure I and II.

(c) and (d) At this stage it is too early to quantify the extent to which the new guidelines would help in increasing foreign investment. However, FDI proposals amounting to Rs. 36150.01 crores have been approved during the year 1996.

Annexure I

Ministry of Industry

Department of Industrial Policy & Promotion

Guidelines for the consideration of Foreign Direct Investment (FDI) proposals by the Foreign Investment Promotion Board (FIPB)

The following Guidelines are laid down to enable the Foreign Investment Promotion Board (FIPB) to consider the proposals for Foreign Direct Investment (FDI) and formulate its recommendations.

1. All applications should be put up before the FIPB by the SIA (Secretariat of Industrial Assistance) within 15 days and it should be ensured that comments of the administrative ministries are placed before the Board either prior to or in the meeting of the Board.

2. Proposals should be considered by the Board keeping in view the time frame of 6 weeks for communicating Government decision (i.e. approval of IM / CCFI or rejection as the case may be).

3. In cases in which either the proposal is not cleared or further information is required in order to obviate delays presentation by applicant in the meeting of the FIPB should be resorted to.

4. While considering cases and making recommendations, FIPB should keep in mind the sectoral requirements and the sectoral policies *vis-a-vis* the proposal(s).

5. FIPB would consider each proposal in totality (i.e. if it includes apart from foreign investment, technical collaboration/industrial licence) for composite approval or otherwise. However, the FIPB's recommendation would relate only to the approval for foreign financial and technical collaboration and the foreign investor will need to take other prescribed clearances separately.

6. The Board should examine the following while considering proposals submitted to it for consideration.

(i) whether the items of activity involved industrial licence or not and if so the considerations for grant of industrial licence must be gone into

(ii) whether the proposal involves technical collaboration and if so: (a) the source and nature of technology sought to be transferred, (b) the terms of payment (payment of royalty by 100% subsidiaries is not permitted).

(iii) whether the proposal involves any mandatory requirement for exports and if so whether the applicant is prepared to undertake such obligation (this is for Small Industry units, as also for dividend balancing, and for 100% EOU/EPZ units)

(iv) whether the proposal involves any export projection and if so the items of export and the projected destinations.

(v) whether the proposal has concurrent commitment under other schemes such as EPCG Scheme, etc.

(vi) in the case of Export Oriented Units (EOUs) whether the prescribed minimum value addition norms and the minimum turn over of exports are met or not.

(vii) whether the proposal involves relaxation of locational restrictions stipulated in the industrial licensing policy, and

(viii) whether the proposal has any strategic or defence related considerations.

7. While considering proposals the following may be prioritised :

- (a) Items falling within Annexure-II of the New Industrial Policy (i.e. those which do not qualify for automatic approval).
- (b) Items falling in infrastructure sector.
- (c) Items which have an export potential.
- (d) Items which have large scale employment potential and especially for rural people.
- (e) Items which have a direct or backward linkage with agro business/farm sector.
- (f) Items which have greater social relevance such as hospitals, human resource development, life saving drugs and equipment.
- (g) Proposals which result in induction of technology or infusion of capital.

8. The following should be especially considered during the scrutiny and consideration of proposals:

- (a) The extent of foreign equity proposed to be held (keeping in view sectoral caps if any - e.g. 24% for SSI units, 40% for air taxi/airlines operators, 49% in basic/cellular/ paging, etc. in Telecom sector)
- (b) Extent of equity with composition of foreign/NRI (which may include OCB)/resident Indians.
- (c) Extent of equity from the point of view whether the proposed project would amount to a holding company/wholly owned subsidiary/a company with dominant foreign investment (i.e. 76% or more) / joint venture.
- (d) Whether the proposed foreign equity is for setting up a new project (joint venture or otherwise) or whether it is for enlargement of foreign/NRI equity or whether it is for fresh induction foreign equity/NRI equity in an existing Indian company.
- (e) In the case of fresh induction of foreign/NRI equity and/or in cases of enlargement of for-

foreign/NRI equity in existing Indian companies whether there is a resolution of the Board of Directors supporting the said induction/enlargement of foreign/NRI equity and whether there is a shareholders agreement or not.

- (f) In the case of induction of fresh equity in the existing Indian companies and/or enlargement of foreign equity in existing Indian companies, the reason why the proposal has been made and the modality for induction/enhancement [i.e. whether by increase of paid up capital/authorised capital, transfer of shares (hostile or otherwise) whether by rights issue, or by what modality].
- (g) Issue/transfer/pricing of shares will be as per SEBI/RBI guidelines.
- (h) Whether the activity is an industrial or a service activity or a combination of both.
- (i) Whether the item of activity involves any restriction by way of reservation for the small scale sector.
- (j) Whether there are any sectoral restrictions on the activity (e.g. there is ban on foreign investment in real estate while it is not so for NRI/OCB investment).
- (k) Whether the item involves only trading activity and if so whether it involves export or both export and import, or also includes domestic trading and if domestic trading whether it also includes retail trading.
- (l) Whether the proposal involves import of items which are either hazardous, banned or detrimental to environment (e.g. import of plastic scrap or recycled plastics).

9. In respect of the industries/activities listed in Annex III of the New Industrial Policy automatic approval for majority equity holding (50/51/74 per cent) is accorded by the Reserve Bank of India. FIPB may consider recommending higher levels of foreign equity in respect of these activities keeping in view the special requirements and merit of each case.

10. In respect of other industries/activities the Board may consider recommending 51 per cent foreign equity on examination of each individual proposal. For higher levels of equity up to 74 per cent the Board may consider such proposals keeping in view considerations such as the extent of capital needed for project, the nature and quality of technology, the requirements of marketing and management skills and the commitment for exports.

11. FIPB may consider and recommend proposals for 100 per cent foreign owned holdings/subsidiary companies based on the following criteria:

- (a) where only "holding" operation is involved and all subsequent/downstream investments to be carried out would require prior approval of the Government;

- (b) where proprietary technology is ought to be protected or sophisticated technology is proposed to be brought in;
- (c) where at least 50% of production is to be exported;
- (d) proposals for consultancy; and
- (e) proposals for power, roads, ports and industrial model towns/industrial parks or estates.

12. In special cases, where the foreign investor is unable initially to identify an Indian joint venture partner, the Board may consider and recommend proposals permitting 100 per cent foreign equity on a temporary basis on the condition that the foreign investor would divest to the Indian parties (either individual, joint venture partners or general public or both) at least 26 per cent of its equity within a period of 3-5 years.

13. Similarly in the case of a joint venture, where the Indian partner is unable to raise resources for expansion/technological upgradation of the existing industrial activity the Board may consider and recommend increase in the proportion/percentage (up to 100 per cent) of the foreign equity in the enterprise.

14. In respect of trading companies, 100 per cent foreign equity may be permitted in the case of the activities involving the following :

- (i) exports;
- (ii) bulk imports with export/expanded warehouse sales;
- (iii) cash and carry wholesale trading;
- (iv) other import of goods or services provided at least 75% is for procurement and sale of goods services among the companies of the same group.

15. In respect of the companies in the infrastructure/services sector where there is a prescribed cap for foreign investment only the direct investment should be considered for the prescribed cap and foreign investment in an investing company should not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49 per cent and the management of the investing company is with the Indian owners.

16. No condition specific to the letter of approval issued to a foreign investor would be changed or additional condition imposed subsequent to the issue of a letter of approval. This would not prohibit changes in general policies and regulations applicable to the industrial sector.

17. Where in case of a proposal (not being 100% subsidiary) foreign direct investment has been approved up to a designated percentage of foreign equity in the joint venture company, the percentage would not be reduced while permitting induction of additional capital subsequently. Also in the case of approved activities, if the foreign investor(s) concerned wishes to bring in additional capital on later dates keeping the investment to such approved activities, FIPB

would recommend such cases for approval on an automatic basis.

18. As regards proposal for private sector banks, the application would be considered only after "in principle" permission is obtained from the Reserve Bank of India (RBI).

19. The restrictions prescribed for proposals in various sectors as obtained, at present, are given in the Annex and these should be kept in view while considering the proposals.

These guidelines are meant to assist the FIPB to consider proposals in an objective and transparent manner. These would not in any way restrict the flexibility or bind the

FIPB from considering the proposals in their totality or making recommendations based on other criteria or special circumstances or features it considers relevant. Besides these are in the nature of administrative guidelines and would not in any way be legally binding in respect of any recommendation to be made by the FIPB or decisions to be taken by the Government in cases involving Foreign Direct Investment (FDI).

These guidelines are issued without prejudic to the Government's right to issue fresh guidelines or change the legal provisions and policies whenever considered necessary.

Annexure II

Sector specific guidelines for foreign direct investment

S.No.	Sector	Guidelines
1.	Banking	NRI40% Foreign investment of upto 20% is permitted
2.	Non-banking financial services	(I) Upto 51% foreign equity, no special conditions are attached except those requiring approval of SEBI/RBI etc. (II) For foreign equity beyond 51% but upto 75%, it is necessary that foreign investment should be minimum US \$ 5 million and it should come in one lot. (III) For foreign investment beyond 75% minimum foreign investment should be US \$ 50 million
3.	Domestic Air-Taxi Operations/Airlines	(i) Foreign equity upto 40% can be permitted on a case- by-case basis. (ii) 100% by NRIs.
4.	Power	Foreign investment in power sector can either be in the form of a joint venture with an Indian partner or as a fully owned operation with 100% foreign equity.
5.	Telecommunications (Basic, Value Added)	In basic, Cellular Mobile and paging services, foreign investments are limited to 49% subject to grant of licence from DoT.
6.	Drugs and Pharmaceutical industry	Foreign investment upto 51% in the case of bulk drugs, their intermediates and formulations thereof (except those produced by the use of recombinant DNA technology) are granted automatic approval by the RBI. Other proposals are considered on merit on a case-by-case basis by the Government. Manufacturing activity essential for FDI above 51% as per Drug Policy.
7.	Petroleum	Foreign companies can invest upto 100% of the equity in any venture in petroleum sector.
8.	Real Estate	No foreign investment in this sector is permitted. NRIs/OCBs are allowed.
9.	Roads and Highways	Private sector including foreign equity participation upto 100% in the highways is envisaged on Build, Operate and Transfer (B O T) concept. Investors in

1

2

3

identified highway projects would be permitted to recover their investment by way of collection of tolls for specified periods. At the end of the agreed concession period, the facilities will revert to the Government. Construction of bypasses, bridges and widening of high density corridors of National Highways have been identified for four laning through the BOT route. The Government has, in the Budget Session of 1995 passed the necessary legislation for collection of toll tax. The rates of toll charges as well as the period of concession will be on the basis of competition/bids and land requirement for the construction and operation of the facilities would be provided by the Government free from encumbrances. Private parties would also be allowed to develop service and the rest areas along the roads entrusted to them.

10.

Ports

Indian ports offer significant potential to foreign investors in major operational and infrastructural areas. The following areas have been identified for participation/investment by the private sector :

- (i) Leasing out existing assets of the Port
- (ii) Construction/creation of additional assets, such as
 - (a) Construction and operation of container terminals.
 - (b) Construction and operation of bulk, break bulk, multipurpose and specialised cargo berths.
 - (c) Warehousing, container Freight Stations, storage facilities and tank farms.
 - (d) Cranage/Handling Equipment
 - (e) Setting up of captive power plants.
 - (f) Dry docking and ship repair facilities.
- (iii) Leasing of equipment for port handling and leasing of floating crafts from the private sector
- (iv) Captive facilities for Port based industries. These areas are indicative in nature. Further details regarding participation by the foreign investors are available with individual port authorities and the Ministry of Surface Transport, Government of India.

11.

Tourism

This is a sector with immense possibilities for foreign investment. 100% foreign equity is permissible in the sector and automatic approvals are also granted by the Reserve Bank of India for foreign equity upto 51% and subject to specified parameters :

12.

Mining

- (I) Foreign equity participation of upto 50% in the mining sector would be automatic, except for gold, silver diamonds and precious stones.
- (II) For gold, silver, diamonds and precious stones, approvals would be given keeping in view *inter alia* the following parameters :
 - (a) The size of the project.
 - (b) Commitment of external resources for funding project cost.

1

2

3

- (c) Track record of the company in the mining sector.
- (d) The level of technology sought to be employed in the project
- (e) Financial strength of the company
- (f) Level of the Indian equity in the joint venture at the mining stage for the JV partner/Indian partner.

For companies which seek to set up 100 per cent wholly owned subsidiaries, permission may be given subject to the condition that in case the company wishes to enter into a joint venture for investment in mining where a foreign equity holding in excess of 50 per cent is envisaged, prior approval of the FIPB would be taken.

13. Coal

While this has been reserved for the public sector, private and foreign investment is permitted in coal for captive consumption only (generation of power) and for washeries, etc.

14. Venture Capital Fund

An offshore venture capital company may contribute 100 per cent of the capital of a domestic venture capital fund and may also set up a domestic asset management company to manage the fund.

VCFs and VCCs are permitted upto 40% of the paid up corpus of the domestic VCF/VCCs.

DR. T. SUBBARAMI REDDY : I will ask only two questions.

MR. SPEAKER : You are allowed only two questions, not three.

DR. T. SUBBARAMI REDDY : Before my asking a question, I must convey that we are extremely happy that Industry Ministry has introduced a single window clearance system in the Foreign Investment Promotion Board. We are happy. But, at the same time, I would like to ask the hon. Minister a question. The international community is not in the queue to make investment in our country. In fact, many other countries are rolling out the red carpet to foreign direct investment. China has received \$ 40 billion of foreign investment in 1996 as against only \$ 3 billion that we have received. What efforts are we going to make to improve the system? No doubt, we have introduced lot of changes, but still I am not able to find the full speed and the full effect compared to China and other countries. May I ask the hon. Minister to inform how in future are we going to improve much more flow of foreign investment which is only going to help us for industrial growth of 12 per cent and overall growth of seven per cent?

SHRI MURASOLI MARAN : I fully share the anxiety of the hon. Member. Foreign investors are not waiting in a queue to come to India. If India closes the doors, they go to Vietnam or China or any other country who are ready to welcome them.

KUMARI MAMATA BANERJEE : Why do they not come to our country?

SHRI MURASOLI MARAN : There is a problem. We shall come to that later. We must make India an attractive destination for foreign investment.

SHRI BIJU PATNAIK : You talk to the Minister in charge.

SHRI MURASOLI MARAN : I am coming to that later. There are certain bottlenecks in the sense that we are still mired in ideological conflicts.

So, if we are to get a seven per cent GDP growth rate, we have to get foreign investment. There is no other way. Therefore, we have to clear the bottlenecks. That is why the FIPB has been revamped. That is why, we have issued the guidelines. Still, there are a lot of things to do.

DR. T. SUBBARAMI REDDY : My Second question is this. While the Foreign Investment Promotion Board has cleared proposals worth \$ 708 million of the Singapore-Tata Airlines to set up the domestic airlines in the country, are you having a football match here? How is it that the Industry Ministry says that it has given the clearance and again some other Ministry says it in a different way? I would like to know what are the *pros and cons*. We are not for or against the proposal. We would like to know the actual position. The hon. Members would like to know where we stand. Why is the controversy going on? When are you going to decide it? Where do we stand? I would like to know about it.

SHRI MURASOLI MARAN : The application of the Singapore-Tata Airlines has been pending for the last two years. So recently, it came up before the FIPB. The FIPB is not the clearing authority. It is only a recommendatory body. It said that it would recommend the proposal for the consideration of the Cabinet Committee on Foreign Investment. So, I took it to the CCFI. The CCFI deferred it. That is the present position. So, a view has to be taken as soon as possible.

DR. T. SUBBARAMI REDDY : What are the *pros and cons* of it? You did not tell about it. I want to know what is the advantage or the disadvantage of it. Otherwise, what is the use? You must tell us.

SHRI MURASOLI MARAN : About what?

DR. T. SUBBARAMI REDDY : It is about the advantage or disadvantage of it, about the *pros and cons* of the flow. Otherwise, who will believe us?

SHRI MURASOLI MARAN : It falls within the present policy. 40 per cent foreign investment is allowed in airlines. That is the past Government's policy. Now, the Administrative Ministry, that is, the Ministry of Civil Aviation, wants to change the policy. It has come out with a request not to pass it until it comes out with a full-fledged policy. So, the matter has been deferred.

[Translation]

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, the Hon'ble Minister has enclosed two documents with his reply and one of them is

[English]

"Sector Specific Guidelines For Foreign Direct Investment."

[Translation]

Mr. Speaker, Sir, I wanted clarification on many things in this regard, though, I know you will not allow me to ask everything during the question Hour. Here he has mentioned about ports. Though he has not mentioned in terms of percentage the areas of operation in the port, to be handed over to foreigners, yet I know that the Narsimha Rao Government had decided hundred per cent transfer of port to a foreign company. Kandla port was handed over to the biggest American Multinational company, namely, Kargil but the more was thwarted by the local people and others who put a stiff resistance against it. I want to let the hon'ble Minister know that in any Indian port entry of any person carrying a camera is prohibited. I know it because throughout my life I have lived with port labourers. If a person is found selling any design or drawings of a port to any outsider, he is arrested and sent to jail as these involve the security of the country. In the event of any dispute of any war these are our ports who have got the jurisdiction regarding the deployment or movement of our war-ships and merchant ships. I want to put an example before you and ask question from the hon'ble Minister as to whether just for the sake of money from foreign countries, we should

risk the security of our country? The Entire money of the country has been siphoned out for paying kick backs. Just a few days back the Swiss Ambassador had said in Nagpur that billions of rupees of your country is lying in Swiss banks.

[English]

MR. SPEAKER : Please ask the question.

[Translation]

SHRI GEORGE FERNANDES : It was said by the Swiss Ambassador 10 days ago. Money of our country is already being siphoned to other countries, now do you want to handover the security of our country also to them. Whenever I come out of a port or airport, I read the instruction "Photography Not Allowed", written prominently on some board but on the other hand, you are inviting the foreigners and requesting them to develop, take over and run the harbours. In such a situation, what will happen to the security of the country? Whether you will take decision to withdraw ports from foreigners and not to handover ports to foreigners, and if not, why?

[English]

SHRI MURASOLI MARAN : We will not compromise with the security of the country. But I do not know how the hon. Member is equating the ports with security. Nowadays, a cameraman may not be allowed, but from the Satellite, you can take the entire photograph. So, we should not live in the old world. Things are getting modern. What I want to say is that ports are the main form of infrastructure in this country.

Take for example, Mumbai. To enter the harbour, it takes several hours, several days, several weeks. So, ships are diverted. But whereas if we take some standard ports like Antwerp, the ships are cleared within few hours.

Therefore, we want modern technology. We have to modernize it. But the technology is not available here and the funds are not available. So, we have to privatize it. We will go case-by-case.

SHRI GEORGE FERNANDES : I am shocked to get the reply. I am absolutely shocked.

Handicrafts Export

* 4 SHRI N. DENNIS : Will the Minister of TEXTILES be pleased to state:

(a) whether the export of handicraft items has registered an upward trend during the current financial year;

(b) if so, the details thereof; and

(c) the further steps taken to boost the export of such items?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes, Sir. Exports of handicrafts including handknotted carpets have shown an upward trend during the current financial year. The achievement during April-December, 1996 reveals that exports have increased by 17.14% in

rupee terms and 15.49% in Dollar terms during April-December, 96 as compared to the figures of the corresponding period of the previous year.

(c) The steps taken by Government of India to boost export of handicrafts include: sponsoring of sales-cum-study teams abroad, participation in international fairs and festivals, organisation of buyer-sellers meets, annual International handicraft fair and International Carpet fair in India. Besides, the Government provides fiscal benefits to exporters which include: exemption of export income from income tax, duty drawback and import of raw wool at concessional rate of duty.

SHRI N. DENNIS : Sir it is seen that there is a considerable increase in the production and export of handicraft items and it has crossed the target..... (*Interruptions*)

MR. SPEAKER : Order, please.

SHRI N. DENNIS : Though our export has crossed the target, we should not be complacent with this because our country's share in the global market is still low despite India having a strong production base and also a large number of craftsman.

So, may I know from the hon. Minister what special and new strategies would be adopted for the enhancement of production and promotion of export of such item?

SHRI BOLLA BULLI RAMAIAH : Mr. Speaker, Sir, we have increased our production and expanded the export of handicraft items. From April, 1996 to December, 1996, there was a growth of 17.14 per cent in rupee terms and 15.49 per cent in dollar terms. In this connection, we have also arranged a number of exhibitions and fairs at Birmingham, Berlin, Tokyo, Hanover, Buenos Aires (Argentina) and Sao Paulo (Brazil). We have also organized buyer-seller meets so that they should have more important places to exchange. In lump sum, we have also provided, what is called, duty drawback, tax exemption, import concession by 10 per cent or at special rates.

We have also made some other provisions. When they asked for power supply at Muradabad, the Commerce Ministry also gave Rupees eight crore for the special line to be taken so that power interruption is not there.

These are some of the items on which we support them, in order to see that there is a considerable growth of this industry.

We have also arranged some special exhibitions on handicrafts in Azerbaijan in order to make sure that there is a more and more interaction of buyers with each other.

SHRI N. DENNIS : To achieve the target of Rs. 10,000 crore worth export of handicrafts by 2000 AD, have the government identified the non-traditional areas of new destinations or countries as new and emerging markets for the export of handicrafts? If so, may I know the promotional activities and programmes started by the Government to suit the taste and fascination of these countries?

SHRI BOLLA BULLI RAMAIAH : Sir, some of the non-traditional items like chick is there not only in Europe but

also in Buenos Aires in Argentina, Sao Paulo in Brazil and South Africa. These are all non-traditional markets. We also give double the concession for exports to these areas. In addition to that, we have also given stress that some more exhibitions should be organized. We are also arranging one-to-one discussion so that our exports are encouraged in these areas and productivity is also increased.

KUMARI MAMATA BANERJEE : Sir, may I know from the hon. Minister whether it is a fact that because of their Export Policy, the textile industry and the cotton industry is suffering? Is it a fact that because of the negligence and lacuna in the Government policy, the employees of all the NTC mills and textile mills in the country are not getting their wages and salaries?

MR. SPEAKER : This is a question about handicrafts, Mamata ji, nothing to do with the NTC.

KUMARI MAMATA BANERJEE : But they stopped subsidies, Sir.

MR. SPEAKER : Do you have anything to ask on handicrafts because this is a specific question on handicrafts and not on NTC mills?

KUMARI MAMATA BANERJEE : Handicraft is involved in the Textile Ministry.

MR. SPEAKER : It may involve the Textile Ministry, but the question here is specifically about the export of handicrafts.

..... (*Interruptions*)

KUMARI MAMATA BANERJEE : I am asking about textile exports.

MR. SPEAKER : Why do you not read the question, Mamataji?

KUMARI MAMATA BANERJEE : Because they are going to export handicrafts.....(*Interruptions*)

MR. SPEAKER : You can ask, what are the handicraft items being exported from West Bengal.

KUMARI MAMATA BANERJEE : I am not asking only for West Bengal. If I asked it, it would have been better. What I am saying is that because the Ministry is going to export handicraft textiles from the other side, they have stopped the subsidy for the countryside people for the countryside textile handicrafts. That is why NTC mills and other textile mills, all are going to be closed down and so many are already closed down. The employees are not getting even their salaries and wages.

MR. SPEAKER : I am sorry, Mamataji. Now I am moving to Question No.5. Shri B.L. Shankar.

Fifth Pay Commission

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*5. SHRI B.L. SHANKAR :
DR. BALIRAM :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that there is a lot of discontentment amongst the Union Government employees over the recommendations of the Fifth Pay Commission;

(b) if so, whether the Government propose to ascertain the views of various sections before its implementation;

(c) if so, the details thereof;

(d) whether the Government propose to implement some of its vital recommendations like raising the retirement age, etc. immediately in view of part (b) above;

(e) if not, the reasons therefor; and

(f) the steps taken to protect the interest of employees as the report has already submitted very late ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Some associations and Unions of Central Government employees have represented to the Government against certain recommendations of the Fifth Pay Commission.

(b) and (c). The views of the employees will be ascertained through the National Council of the Joint Consultative Machinery.

(d) to (f). The Report of the Pay Commission is being examined by a Committee of Secretaries constituted for the purpose and decisions will be taken by the Government keeping in view their suggestions and the comments of the Staff Side in the National Council (JCM)

SHRI B. L. SHANKAR : The Fifth Pay Commission has created some expectations in the minds of the employees and some apprehensions in the minds of the people. I want to know from the hon. Minister whether there is any dissent note in the Fifth Pay Commission Report or whether it is a unanimous report; what is the extra expenditure that the Government of India is going to incur if it implements the Fifth Pay Commission Report ; and whether the State Governments will be taken into confidence before coming to a final decision regarding the Fifth Pay Commission Report.

SHRI P. CHIDAMBARAM : To the three questions asked by the hon. Member, my answers are as follows :

Yes, one of the members of the Pay Commission has submitted a dissent note on some aspects of the Report. Secondly, the estimate that has made by the Pay Commission for a year of twelve months, together with the arrears which have to be paid for the period from 1.1.1996 to 31.3.97 is about Rs. 11,250 Crore for the Central Government. Thirdly, the Prime Minister is already on record that he will consult the Chief Ministers of the States before a final view is taken on the Pay Commission's recommendations.

SHRI B. L. SHANKAR : The hon. Minister has said that a Committee of Secretaries has been constituted. I would like to know whether any specific time frame has been given for this Committee to submit its views; whether there is a

serious objection taken by the Defence Minister and the Defence personnel regarding the recommendations of the Fifth Pay Commission; and whether it is a fact that it is biased towards the IAS at the cost of the other personnel in the Services. I want a specific commitment from the Minister as to whether the Government is going to accept the recommendations of enhancing the retirement age to sixty years or whether it will depend upon the recommendations of the Secretaries' Committee. Because it seems that the Secretaries in the Committee of Secretaries themselves will be deciding on their future age of retirement ! I want the view and the specific commitment of the Government regarding the age of retirement.

SHRI P. CHIDAMBARAM : Sir, the Committee of Secretaries will not take any decision. The Committee of Secretaries is the usual machinery in the Government to process such far-reaching recommendations and place the views before the Government. It is the Government which will take the decision.

I am in no position to make a commitment on any recommendation of the Pay Commission; nor am I in a position to offer my comment on any recommendation at this stage. The established machinery has been set in motion. The Committee of Secretaries held its first meeting on the 17th February, 1997. The Standing Council of the JCM has been called to meet on the 3rd March, 1997. The Government will take decisions on the recommendations of the Pay Commission as soon as possible.

[Translation]

DR. BALIRAM : Mr. Speaker, Sir, through you, I would like to ask from the Government, whether it is a fact that the posts of Phone Mechanic and T.T.A. were created in the Ministry of Communications recently as it was necessary in view of the modern technology and if so, whether it is also a fact that the Fifth Pay Commission has overlooked their nature of work and made no revision in their present pay scales and has recommended the same pay scales for both, technical and non-technical cadres in spite of the fact that there is a marked difference between the nature of work of these two cadres. Whether the Government would like to propose a different pay scales for non-technical posts and technical posts, such as Phone Mechanic and T.T.A. ? My second question is whether the Fourth Pay Commission had recommended different pay scales and allowances for the Jawans of several forces under the Ministry of Home Affairs such as Border Security Force, Central Industrial Security Force, Secretariat Security Force, ITBP and Central Reserve Police Force and this disparity was continued by Fifth Pay Commission also and if so, the reasons therefor? Whether the Government propose to bring parity between the pay scales and allowances of Jawans of different forces under the Ministry of Home Affairs and if so, by what time?

[English]

SHRI P. CHIDAMBARAM : Sir, the report of the Pay Commission runs into thousands of pages in three volumes. I am sure that the Pay Commission has taken into account the views of various sections of Government employees. I

am in no position to offer my comment on any recommendation of the Pay Commission at this juncture.

[Translation]

SHRI RAJESH PILOT : Mr. Speaker, Sir, the hon'ble Minister has very easily said that he is not in a position to offer his comment but through you, I would like to bring to his notice that he may offer his comments whenever he is in a position to comment, but he should keep this fact in his mind that people have stopped joining the Defence Forces for the last 8-10 years.

[English]

Especially, in the case of Commissioned Officers. There was a day when there was a line on the date of selection. I mentioned here in this House when Shrimati Indira Gandhi was the Prime Minister that in 1960 people used to give advertisements in newspapers, 'Wanted a match for so and so, preferably a military officer or a service officer' and now a day would come when they would say 'Service officers need not apply'. I mentioned it in 1982. The attraction was that their stature and everything was looked upon.

Slowly, deterioration has come in. There is a resentment among the Services that their case has not been taken up to their value. There is a resentment. I would like to bring to your notice a simple fact. For Air Force pilots, through the recommendations of the Fifth Pay Commission, flying bounty has been enhanced by three times. In the same Government, the BSF pilot who flies for the same Government in the same manner gets much higher than him, I think about Rs. 30,000 or so at Rs. 600 per hour or so. But the Air Force pilots get Rs. 3,500 as flying bounty. You take the case of the Indian Airlines pilots. Pilots who have left Air Force to join Air India draw Rs. 1,20,000 a month. These anomalies will bring down the morale of the Air Force and the Defence Forces.

Similar is the case with the Paramilitary Forces. You would be surprised to know this. There are two soldiers.....(Interruptions)

MR. SPEAKER : I think Shri Pilot, we are not debating this issue.

SHRI RAJESH PILOT : There are two soldiers staying in the same barrack, one is from the Army and the other is from the BSF. The BSF soldier pays the electricity bill and the bulb charges but the Army soldier does not pay for it. Such anomalies should be removed. I think, whenever the hon. Minister is in a position to take a decision, he would please keep this in mind and see that the Defence Forces are looked after well.

MR. SPEAKER : It is a very good suggestion.

SHRI SONTOSH MOHAN DEV : People from the Services are resigning and coming to politics, even in this House. Will you take all these things into account? This is what is happening.

SHRI RUPCHAND PAL : The present Government is committed to employment generation or creation of more employment. In view of the fact that a large chunk of the recommendations made by the Fifth Pay Commission will ultimately result in reduction of employment opportunities

in the country, there is a widespread apprehension in the minds of different sections of the people, particularly Group D employees working in the Administration, that it will create a situation where there will be imbalance, distortion and discrimination in the whole administrative set up and that ultimately it will lead to reduction of the workforce in the Administration of the country which will go counter to the commitment of this Government.

May I know from the hon. Finance Minister as to whether this Government will reiterate its commitment to employment generation and protection of the interests of the people belonging to the lower strata, the weaker sections, SC/STs and the poorest sections? If so, how do they propose to fulfil their commitment regarding employment protection and employment generation?

SHRI P. CHIDAMBARAM : This Government remains committed to increasing productive employment. The recommendations of the Pay Commission have to be taken as a whole. We will not, in any way, jeopardise the interests of the poorer sections of the society among whom there is a legitimate aspiration for a certain number of people – to join the Government service. All these views will be kept in mind while taking a decision, and I am sure that the hon. Member and his Party will have a say before the Government takes a decision.

[Translation]

SHRI SHATRUGHAN PRASAD SINGH : Mr. Speaker, Sir, I want to know from the Government that whenever Pay Commission is set-up, why does it take years and years together to submit its report? Do you prescribe any time-limit for the Committees within which they should finish their task? By what time you are likely to implement the recommendations of Fifth Pay Commission? Whether you have got any time bound programme in this respect. Prices are soaring-up day-by-day. It is becoming very-very difficult for the salaried class to manage their bread. I would like the Government to let us know the time by which they are going to take a decision on the report of Fifth Pay Commission so that the resentment breeding among the Government employees could be removed.

KUMARI MAMATA BANERJEE : There should be a full-fledged discussion on this subject.

[English]

SHRI P. CHIDAMBARAM : How can we discuss it now?

MR. SPEAKER : The Budget is coming, we will discuss it while discussing the Budget.

SHRI P. CHIDAMBARAM : The Third Pay Commission took two years and eleven months to give its report. The Fourth Pay Commission took two years and eleven months to give its report. The Fifth Pay Commission took two years and ten months to give its report. I do not think, it is fair to say that the Fifth Pay Commission has taken an extraordinarily long time.

Secondly the Government took decisions on the Third Pay Commission in a space of about eleven months. In respect of the Fourth Pay Commission, it was my privilege to be the Minister of Personnel at that time – we took the decision in eight months and thirteen days. We will try to do better this time.

[Translation]

SHRI SHATRUGHAN PRASAD SINGH : Mr. Speaker Sir, the hon'ble Minister did not tell us that how much time will be taken in it.....(Interruptions)

[English]

SHRI P. NAMGYAL : Thank you very much. The Third and Fourth Pay Commissions have always..... (Interruptions)

MR. SPEAKER : People who know about the Pay Commission need not get a chance to put questions.

SHRI P. NAMGYAL : Sir, the Government employees posted in the difficult areas or hilly areas, particularly in the North-Eastern region, Ladakh and same other such areas have always been neglected by the recommendations of the Third and the Fourth Pay Commissions. The same thing again has been repeated by the recommendations of the Fifty Pay Commission in respect of their pay and allowances. The employees who are posted in these areas get less emoluments as compared to the employees who are posted in and around the cities in the country. I would like to know from the hon. Minister whether the question of giving more allowances and emoluments to these employees who are posted in the difficult areas would be looked into or not.

Further, in part (b) of your written reply, it has been mentioned that the views of the employees will be ascertained through the National Council of the Joint Consultative Machinery. In this context, I would like to know from the hon. Minister whether or not this issue would be referred to this Committee as well as to the Committee of Secretaries for redressal of their grievances.

SHRI P. CHIDAMBARAM : Let me explain the procedure in one sentence. This is the established procedure. There is a Standing Council of the Joint Consultative Machinery (JCM). The entire Pay Commission's report is given to the JCM. In the JCM, the staff side discusses with the Secretaries of the Government and the Committee of Secretaries will then make their recommendation to the Government. I have no doubt in my mind that every section of the Government employees will have an opportunity to make their comments on the Pay Commission's report through the machinery of the JCM.

Sir, may I also take this opportunity to say that pending the Pay Commission's Report, the Government has released three instalments of Interim Relief to serving Government employees, three instalments of Interim Relief to all pensioners, and has also passed orders for treatment of Dearness Allowance as Dearness Pay. Total package so far has been worth Rs. 3,656 crore.

[Translation]

SHRI RAM KRIPAL YADAV : Mr. Speaker, Sir, we are discussing about the salaries of the Government employees but what about our own salaries?

MR. SPEAKER : You have raised the actual point.

Steps To Strengthen Co-operative Banks

*6. SHRI VISHVESHWAR BHAGAT : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have formulated any scheme to strengthen the capital base of Co-operative banks on the pattern of commercial and rural banks;

(b) if so, the details thereof; and

(c) if not the time by which the said scheme is likely to be formulated?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c). Unlike Public Sector Commercial Banks and Regional Rural Banks where the Central Government directly contributes to the share capital, shareholding of State Co-operative Banks and District Co-operative Banks is contributed by their members and the State Government. To some extent, National Bank for Agriculture and Rural Development, (NABARD) assists State Governments towards contributions to the share capital of District and State level Co-operative Banks. The loans sanctioned and disbursed by NABARD during the last three years were as under :

	(Rs. crores)	
	Loans Sanctioned	Loans disbursed
1993-94	39.01	30.51
1994-95	73.03	74.91*
1995-96	100.14	107.78*

* Including loans sanctioned for previous year.

For the year 1996-97, applications aggregating Rs. 174 crores have been received from various state Governments and are being scrutinized by NABARD.

[Translation]

SHRI VISHVESHWAR BHAGAT : Mr. Speaker, Sir, the Cooperative Banks were set-up with an objective to achieve development of 80 per cent rural area but so far these banks have not been able to achieve their goals. I want to know from the hon'ble Minister as to what is the latest state-wise position of these cooperative Banks and what contribution can be made by the Central Government to strengthen the capital base of these banks. Now we can see that the amount of assistance disbursed by the NABARD during the years 1993-94, 1994-95 and 1995-96 was far less than the actual requirements of the different states. I therefore, would like the hon'ble Minister to let us know as to what measures the Government propose to take to strengthen the capital base of these banks on whose shoulder lies the responsibility of all round development of rural areas.

[English]

SHRI P. CHIDAMBARAM : Sir, cooperative banks fall within the purview of the State Governments. The owner-

ship of these banks is among members of the cooperative banks, the district cooperative banks and, to some extent, the State Governments. The Central Government does not hold any shares in cooperative banks. But the Central Government helps the cooperative banks in two ways. One is the subject of this question, namely, strengthening the capital base of cooperative banks.

NABARD advances assistance to State Governments to strengthen the capital base of district and State level cooperative banks. In 1993-94, NABARD sanctioned Rs. 39.81 crore to the various State Governments and actually Rs. 30.51 crore was disbursed.

In 1994-95, Rs. 73.03 crore was sanctioned and Rs. 74.91 crore was disbursed. In 1995-96, Rs. 100.14 crore was sanctioned and Rs. 107.78 crore was disbursed. For 1996-97, applications aggregating Rs. 174 crore have been received from various State Governments and are being scrutinized by NABARD.

[Translation]

SHRI VISHVESHWAR BHAGAT : Whether there is any scheme to set-up a national cooperative Bank in order to bring uniformity in respect of these cooperative Banks of various states?

[English]

SHRI P. CHIDAMBARAM : There is no such proposal, Sir.

DR. LAXMINARAYAN PANDEY : May I know from the Minister whether he has received any request from any cooperative organisation or from the National Cooperative Union of India to set up a National Cooperative Bank of India on the lines of Regional Rural Bank ? If so, what is the reaction of the Government?

SHRI P. CHIDAMBARAM : There is a request. I think the request came some time ago. The RBI has some views on it. As I said, I have no proposal in that behalf but there is a request.

SHRI A.C. JOS : The cooperative banks are looking after the activities of the rural economy. The point is, cooperatives banks are being treated by the Government at par with the nationalised banks and a tax has been imposed on them. My question to the hon. Minister is, considering the importance of the cooperative banks, will the Government consider taking away the tax proposal which is being imposed on the cooperative banks.

SHRI P. CHIDAMBARAM : I would not be able to readily answer the question. My recollection is that there is a tax exemption to cooperative banks but if you ask a specific question, I can give you a specific answer.

SHRI A.C. JOS : There is no tax exemption. Tax is being imposed on them. They had applied for tax exemption but the Government had not sanctioned any tax exemption for the cooperative banks.

SHRI P. CHIDAMBARAM : Sir, it does not arise from the main question.

SHRI A.C. JOS : My question is, whether the Government will consider exempting the cooperative banks from tax.

MR. SPEAKER : It is in the nature of a suggestion. So, you may look into it.

SHRI P. CHIDAMBARAM : I do not want to assert anything. I will look into the matter.

[Translation]

SHRI RAMASHRYA PARSAD SINGH : Mr. Speaker, Sir, one of the objectives behind setting-up of the cooperative Banks was to protect the farmers and workers from the cruel clutches of usurers and with this objective the Cooperative Banks were set-up in every district in every state. These banks have not proved fruitful because their capital base is very weak due to which they are unable to provide timely loans. I want to know from the hon'ble Minister of Finance as to what is being contemplated to strengthen the capital base of these banks which are the backbone of the farmers.

[English]

SHRI P. CHIDAMBARAM : In fact, I have answered it. We are providing loans to State Governments to strengthen the capital base of the cooperative banks. In fact, year after year the assistance given by NABARD is increasing and this year, as I said, we have requests aggregating almost Rs. 174 crore and this will be considered sympathetically.

SHRI SANAT MEHTA : The hon. Minister, in connection with the question regarding tax on the cooperative banks, replied that if any specific case is there, he will look into it. A case has been represented by the Gujarat Cooperative Bank since the last so many years, but even today no final decision has been given. The local income tax authorities are pressuring the District Cooperative Bank and the State Cooperative Bank to pay the tax. This was represented to the former Finance Minister. It was represented by me to the present Finance Minister. I want a specific answer, whether this question will be decided within the specific time or not.

SHRI P. CHIDAMBARAM : As I said, Sir, it is a question relating to taxation. I cannot give an answer without having full information in my hand. But I shall certainly look into the specific case which the hon. Member Shri Sanat Mehta has pointed out, and I will give him a reply within a week about the status of that proposal.

SHRI BASU DEB ACHARIA : In 1990, there was a general waiver of loans taken by certain people. Because of the non-receipt of those amounts by some of the cooperative banks, their equity base has eroded. I know the example of one such district level Central cooperative bank, that is, Bankura Central Cooperative Bank. That bank has not received the replacement amounts for the loans waived. Because of that, the equity base of that particular cooperative bank has eroded. May I know from the Minister whether the commitment made by the Government will be fulfilled by sanctioning the amount in question to the central cooperative banks?

MR. SPEAKER : This again is a very specific question.

SHRI P. CHIDAMBARAM : If the hon. Member is referring to the loan waiver scheme introduced in 1990, that scheme is over and I have no other proposal before me to sanction any more funds.

SHRI BASU DEB ACHARIA : I am not asking for a fresh waiver of loans. I am talking about the central cooperative banks which did not receive the amount in place of the loans waived.

SHRI P. CHIDAMBARAM : If there is a lapse in applying that scheme in the past period, if that lapse is brought to my notice, I will find out if there is a lapse. But there is no question of reviving the scheme or sanctioning any more money.

[Translation]

SHRI ANANT GANGARAM GEETE : Mr. Speaker, Sir, I would like to know the state-wise details of the disbursement of Rs. 107 crores which was made available to the State Cooperative Banks by the NABARD in the year 1995-96.

[English]

SHRI P. CHIDAMBARAM : Sir, I may not have the state-wise details of allocation of Rs. 107 crore. But I shall send it to the hon. Member in a couple of days.

Economic growth

*7. SHRI SONTOSH MOHAN DEV : Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the newsitem captioned 'economy to slump despite turn around by farm sector' appearing in *The Hindu* dated February 1, 1997;

(b) if so, whether the economic growth of the country is expected to go down during the financial year despite a turn around by the agricultural sector;

(c) if so, whether despite a robust 3.7% growth in agriculture, forestry and fishing as compared to a negative 0.1% growth in 1995-96, the overall gross domestic product growth is expected to slip to 6.8% from 7.1% as estimated; and

(d) the main reasons for the same and steps the Government propose to take to improve the economic growth?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) and (c) : As per the advance estimates released by the Central Statistical Organisation, growth in gross domestic product (GDP) in real terms (at 1980-81 prices) at factor cost is placed at 6.8 per cent for 1996-97 compared with 7.1 percent in 1995-96 (quick estimate). The comparative sectoral growth profile of GDP during 1995-96 and 1996-97 is indicated below :

Growth rates in GDP at factor cost at 1980-81 prices by sectors

(Growth rates in per cent)

Sector	1995-96(Q)	1996-97 (A)
1	2	3
1. Agriculture, forestry & fishing	-0.1	3.7
2. Mining and quarrying	7.0	1.7

	1	2	3
3. Manufacturing		13.6	10.6
4. Electricity, gas and water supply		9.1	4.2
5. Construction		5.3	4.6
6. Trade, hotels, transport and communication		13.3	9.4
7. Financial, real estate and business services		4.0	6.3
8. Community, social and personal services		6.2	4.9
Total GDP at factor cost		7.1	6.8

Q. Quick Estimate.

A. Advance Estimate.

(d) Since June 1996, the pace of economic reforms has been revived to promote faster growth. Several reform measures have been undertaken in the area of industrial licensing, infrastructure sectors, foreign investment, trade policy, capital markets and financial sector.

SHRI SONTOSH MOHAN DEV : Sir, it is very difficult to put questions to a former colleague with whom I worked in the same Ministry. From the answer it seems that he has forgotten his past loyalties. I will come first to part (d) of the answer given by him. I would say very frankly that I did not expect such a reply from Shri Chidambaram. It says :

"Since June 1996, the pace of economic reforms has been revived. Several reform measures have been undertaken in the area of industrial licensing, infrastructure sectors, foreign investment, trade policy, capital markets and financial sector."

That means, the previous Government of which he was a part, had done nothing, whereas all the things mentioned in the reply were done during the previous Government's time and not a single thing was done in his time. It is fair enough! Now he is in a new circle. It is difficult for him to act independently with 13 partners. We see it in the papers.

The economic situation of the country is a concern of everybody; it is not his concern alone. We should rise above politics on that point. The fact is that the gentleman sitting to his right has just now said that one of his partners, the Minister of Civil Aviation, is not doing what the gentleman is asking him to do. He has also said why people are not coming in. All of us are interested in the economic growth of the country.

From the chart of growth rates at 1980-81 prices that is given in the reply, it is clear that except in the sector of agriculture, forestry and fishing, the growth rate in GDP at factor cost has gone down virtually in all other sectors.

MR. SPEAKER : I think you have given enough explanation. Now, please put the question.

SHRI SONTOSH MOHAN DEV : I am putting the question, Sir. I have heard the Minister saying in private – the

average growth of GDP is seven per cent for the last three years. How does he justify it? Will he kindly reply in short? He is an expert in giving short replies. I have seen that. The Minister may kindly tell us.

SHRI P. CHIDAMBARAM : Why does my learned friend say that I say something in private and something else in public?

The President of India, while addressing the Joint Session, has stated that the average growth rate of the last three years is 7 per cent. That is the Government's position. At this point of time last year, the CSO estimated the growth in 1995-96 to be about 6.2 per cent. The year has ended with 7.1 per cent and I compliment the Government of the day for achieving 7.1 per cent growth. Today, the CSO is predicting as an advance estimate for 1996-97 that the growth rate will be 6.8 per cent. I am confident that growth rate will 6.8 per cent and perhaps more than 6.8 per cent. That is why, we make bold to say that perhaps India - thanks to a set of policies followed, may be with some weaknesses - may have reached a plane where seven per cent growth is possible, and if we continue to follow sensible policies even while adopting new policies according to the needs of the situation, it is possible, to achieve seven per cent growth rate year after year. But I am not satisfied with seven per cent growth. Seven per cent growth is not enough for this country. We must move to eight per cent growth. Now, what is holding back 8 per cent growth or more, as I have said on many occasions, is infrastructure. I have said here that infrastructure constrains growth in India - something to which my learned colleague pointed out a few minutes ago - by at least by one to two per cent. Since we came into power, we have revived the process of economic reforms and we have taken decisions on a number of areas. If you wish me to spell it out, I can spell out also, but that will become a speech. Wait for the Economic Survey. Wait for the Budget Speech. We do not believe that the economic growth is a partisan issue. In fact, my appeal is that let us make economic growth an issue on which we can all agree on a set of policies which will give us a minimum of seven per cent growth, aim at eight per cent in another three years and at the turn of the century, we must go to nine per cent growth, something which China has done, something which Korea has done, something which Indonesia is doing. There is no reason why India should not aim at eight per cent or more growth.

SHRI SONTOSH MOHAN DEV : Nobody can match his vocabulary. He is capable of putting the things for his Government. If Shri Chidambaram is satisfied with seven per cent.....

SHRI P. CHIDAMBARAM : I said that I am not satisfied with seven per cent.

SHRI SONTOSH MOHAN DEV : In view of the coming Budget and the scenario that we have been hearing in your Steering Committee, today you are asking for something said 'they' are opposing. You know whom I am referring to as 'they'. In that situation, I fully agree that this is above politics, and since it is above politics, and keeping the Budget

in mind which is going to be presented, will it be possible for you to maintain this seven per cent growth or even your average 6.8 per cent, if you are to concede to the demand of your Steering Committee?.... (Interruptions) The prices of ration declined. Now, there is a heat. You tried to increase it *enbloc* and then cut it. As a Harvard Graduate you did want to do it, but the Steering Committee did not agree. As regards the price of fuel, the burden is again on us..... (Interruptions)

SHRIMATI GEETA MUKHERJEE : Will you be happy with lesser price?

SHRI SONTOSH MOHAN DEV : You deal with Women's Bill, not with this..... (Interruptions)

So, in view of this, may I ask you one question. Take for example mining or manufacturing. The percentage of manufacturing has gone down from 13.6 to 10.6. The percentage of electricity, gas and water supply has gone down from 9.1 to 4.2. I am not saying this just because the Prime Minister has come. He has repeatedly given importance to electricity or power. He has also declared various policies. I do not want you to disclose your Budget. Keeping this in view, I want to know what mechanism could be there to see that these sectors which are neglected, as per 'a' can be improved. You should also keep this in mind that you should not burden the people of this country.

SHRI P. CHIDAMBARAM : These are not figures carved in stone. These are estimates made by the CSO. Please compare column 1 with column 2. Column 1 pertains to the quick estimate made after the year for the CSO. Column 2 pertains to an advance estimate made during the current year by the CSO. It is not really comparable in that sense. It is because, as I said, last year at this point of time, CSO said 6.2 per cent but the year ended with 7.1 per cent. But I think one must be patient. I am answering on behalf of the Government. Sir, Steering Committees and Working Committees have their own internal dynamism. I am answering on behalf of the Government.

SHRI P.R. DASMUNSI : Sir, the present economic situation in the country as a whole, in view of the statement made by the hon. Finance Minister, indicates the health of our economy which I am sure, on the basis of my own assessment is in a mess. In the light of the political and social projections of the United Front Government for the total commitment of the poor people, democratic secular forces and the Minister who had admitted just now that the infrastructure constraint is creating a basic problem for the economic growth of the country, we may visualise that all the foreign investors who came to India under the garb of the economic policy, their first attempt was to enter into the consumer market to exploit adequately the core sector of India's priority areas, specially infrastructure sector when they could have been persuaded to invest in these areas and India could have benefited a lot. But nothing has been done in this direction till now.

Keeping all these things in the background, will the Finance Minister consider that time has come for the United

Front Government within the light of their political and social philosophy to review the entire economic policy and to reorient the entire economic policy giving the highest priority to the core areas and not merely allowing in the name of liberalisation the foreign investors to come and loot our domestic market at the cost of our own national self-economic planning?

SHRI P. CHIDAMBARAM : Sir, this is a rather extraordinary statement coming from an hon. Member of the Congress (I). But the facts are otherwise. The Finance Minister and the Industry Minister of the Congress (I) gave out figures when the Government was in Office. I recall that at the end of the term, it was stated that about 82 per cent of all foreign direct investments flowed into priority, core and infrastructure sectors. It is, therefore, not correct to say that the bulk of investments is going to the consumer sector. Now, take what this Government has done. Only 6 per cent of the new FDI approved by this Government has gone to the consumer sector. I can give sectorally how investments have flowed. Telecom is 23.7 per cent, fuels, 18.5 per cent, metallurgical industry 6.7 per cent, chemicals, other than fertilizers 6.6 per cent and I can go on like this. Therefore, we should not give a wrong impression of what we have done. We should not give out wrong facts. It is possible that once you see one consumer industry coming up in a town or a village, you assume that all industries are like that. That is not so. The bulk of FDIs in the previous five years as well as in the last eight months has flowed and is flowing to the core, priority, and infrastructure sectors.

1200 hrs.

SHRI P.C. THOMAS : Sir, to attain the real growth which is envisaged, we have to give more stress on agriculture. The rural masses are looking forward to the Government, especially when the Budget is coming. How the Government is going to deal with this agricultural sector, which is the primary concern, that we have to see. But I am afraid to say that because of the policy of imports, normally the agricultural sector is facing a great difficulty and the farmers are in great distress. Will the Government see that the policy of imports is coined in such a way that the agricultural sector is not affected in any manner, at least, when you come with the Budget this time?

SHRI P. CHIDAMBARAM : Sir, it is the consistent policy of the Government of India for many many years that imports will not be allowed to affect the agricultural sector any way. There is no change in that policy. Wait for the Budget and we will address some of these concerns.

WRITTEN ANSWERS TO QUESTIONS

NABARD Loan for Irrigation Projects

*1. SHRI MAHENDRA SINGH BHATI
SHRI ANANT KUMAR HEGDE:

Will the Minister of FINANCE be pleased to state :

(a) the amount of loan sanctioned for irrigation projects by the National Bank for Agriculture and Rural Development during 1995-96 and 1996-97 so far, State-wise; and

(b) the terms and conditions of the sanctioned loan?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The details of the amount of loan sanctioned by National Bank for Agriculture and Rural Development (NABARD) to various State Governments during 1995-96 and 1996-97 (upto 31.12.1996) for irrigation projects out of Rural Infrastructure Development Fund (RIDF) - I and II are indicated in attached *Statement-I*. In addition, NABARD provides refinance assistance to banks for loans extended by them for minor irrigation purposes. The State-wise details of such refinance assistance extended by NABARD during 1995-96 and 1996-97 (upto 31.1.1997) are indicated in the attached *Statement-II*.

(b) The terms and conditions governing loans to State Governments under RIDF I and II are, *inter-alia*, as follows:-

- (i) The quantum of loan under RIDF-I is equivalent to 50% of updated/revised cost of project or balance cost of a project whichever is less. Under RIDF II, loans can be granted upto 90% of the updated/revised cost or balance cost whichever is less;
- (ii) Loans under RIDF I were available for ongoing projects only. Under RIDF II, besides ongoing projects, new projects are also eligible on a selective basis;
- (iii) Rate of interest on loans to State Governments under RIDF-I is 13% per annum while it is 12% per annum under RIDF II;
- (iv) Each drawal under RIDF is to be treated as a separate loan and is required to be repaid in three annual instalments at the end of 36th, 48th and 60th month; and
- (v) Loans under RIDF are sanctioned/released against State Government's mandate in favour of Reserve Bank of India. In case of loans to State owned Corporations, Government guarantee is also obtained, besides mandate in favour of RBI.

Statement - I

State-wise details of amount sanctioned by NABARD for irrigation projects under Rural Infrastructure Development Fund-I (1995-96) and II (1996-97 - as on 31-12-1996)

(Rs. in crores)

State	RIDF-I		RIDF-II	
	Total Sanctions	For Irrigation Projects	Total Sanctions	For Irrigation Projects
1. Andhra Pradesh	206.94	206.94	194.53 122.49*	179.40
2. Arunachal Pradesh	3.36	3.36	---	--
3. Assam	11.46	11.46	86.87	--
4. Bihar	180.98	180.98	--	--
5. Goa	36.84	36.84	--	--
6. Gujarat	141.48	141.48	129.68	73.30
7. Haryana	18.28	18.28	61.06	45.38
8. Himachal Pradesh	14.23	14.23	49.50	25.08
9. Jammu & Kashmir	6.22	6.22	8.06	--
10. Karnataka	143.93	143.93	88.63	51.14
11. Kerala	99.72	94.71	42.23	42.23
12. Madhya Pradesh	199.63	199.63	207.60	207.60
13. Maharashtra	207.22	207.22	231.66	231.66
14. Manipur	1.75	1.75	--	--
15. Meghalaya	3.39	--	--	--
16. Mizoram	2.35	2.35	--	--
17. Nagaland	1.38	1.38	--	--
18. Orissa	152.69	129.58	125.14	70.57
19. Punjab	60.50	--	62.50	--
20. Rajasthan	110.16	110.16	179.29	85.34
21. Tamil Nadu	--	--	190.01	--
22. Tripura	1.82	1.82	--	--
23. Uttar Pradesh	292.35	284.79	491.65	142.67
24. West Bengal	113.37	98.51	24.82	18.21
Total	2010.05	1895.62	2295.72	1172.66

* Rs. 122.49 crores relates to cyclone/flood affected areas in Andhra Pradesh.

Statement - II

State-Wise Details of Amount Disbursed by NABARD as Refinance for Minor Irrigation Schemes during 1995-96 and 1996-97 (Upto 31-1-1997)

(Rs. lakhs)

State	1995-96	1996-97 (upto 31-1-1997)
1	2	3
1. Andhra Pradesh	9615	6371
2. Assam	--	--
3. Bihar	610	441
4. Goa	5	4
5. Gujarat	2073	194
6. Haryana	2793	3112

1	2	3	4
7.	Himachal Pradesh	35	40
8.	Jammu & Kashmir	8	1
9.	Karnataka	7362	3946
10.	Kerala	2299	1605
11.	Madhya Pradesh	1992	945
12.	Maharashtra	9190	4188
13.	Orissa	616	651
14.	Pondicherry	45	10
15.	Punjab	1742	2149
16.	Rajasthan	4410	2792
17.	Tamil Nadu	1700	227
18.	Uttar Pradesh	15499	6307
19.	West Bengal	665	267
Total		60659	33250

Violation of Environmental norms by BCCL

*2. SHRI DINESH CHANDRA YADAV :
PROF. AJIT KUMAR MEHTA :

Will the Minister of COAL be pleased to state

(a) whether the Government are aware of the concern shown by the Environmental Committee of the Bihar Legislative Council recently regarding the indiscriminate mining by Bharat Coking Coal Limited flouting the environmental norms in the Jharia and surrounding coal-fields,

(b) if so, the details thereof ; and

(c) the action taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Yes, Sir. The Committee has observed that Bharat Coking Coal Limited (BCCL) should carry out its mining activity in such a way that the environment of the area is maintained. The recommendations of the Committee are as follows

(i) The people whose houses were affected due to subsidence on 27.10.1996 should be immediately rehabilitated within 3 months.

(ii) The District Administration should remain alert to deal with any untoward incidence that may occur due to subsidence in future and the District Administration should be provided with adequate fund for this purpose.

(iii) DGMS should inform the people who are endangered due to subsidence through electronic media and newspapers in local language at every fifteen days.

(iv) BCCL's approach towards resettlement and

rehabilitation of the people should be humanitarian and in accordance with the Constitution.

(v) In order to encourage the people in rehabilitation, it is necessary to demolish and shift the Company's and Government buildings first.

(vi) Sites selected for rehabilitation should be barren and non-agricultural as far as practicable and acceptable to the affected people in terms of convenience for employment, business and transport.

(vii) 50% of the profit earned from the increased coal production should be deployed for rehabilitation till it is completed.

(c) Government of India has constituted a high level Committee under the Chairmanship of Secretary, Ministry of Coal, to look into the problems of subsidence and fires in the Jharia and Raniganj Coalfields and recommend suitable measures to deal with the problems. The Committee has started its deliberations.

Under/Over Invoicing Export to US

*8. SHRI BRIJ BHUSHAN TIWARI :
SHRI ANIL BASU :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the findings of a study by three US economists wherein they have concluded that capital flights from India to the United States alone in 1994 and 1995 must have ranged from a maximum of 11 300 million dollars to a minimum of 3 875 million dollars;

(b) if so, the details thereof; and

(c) the measures being taken to check the flights of capital through under invoicing of imports and over invoicing of exports to US?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The Government is aware of the study made by Dr. John S. Zdenowicz, and two others in Florida International University of U.S.A., which is an update of their earlier analysis made in 1994. According to their study estimated capital outflows from India during 1994 range from \$ 5893.5 million to \$ 411.5 million, and during 1995 from \$ 5584.3 million to \$ 610.9 million, which have been arrived at by comparing India's import and export prices from and to the United States to average and adjusted average US-world import and export prices. The present study also uses a global price matrix to select average prices for all commodities traded between the US and India and the average prices for all commodities traded between the US and the world.

The study has used only US generated data on imports from and exports to India and compares the same with either India's US import/export prices or with US-world import/export prices. Such a method is not free from pitfalls for the purpose of estimating capital flight, since pricing of commodities in international trade depends on a variety of factors (including differences in quality and specifications) and applying averages in such circumstances can lead to highly erroneous conclusions.

While the study has concluded that there was capital outflow due to under-invoicing of exports and over-invoicing of imports, the Customs authorities have also detected cases of under-invoicing of imports and over-invoicing of exports. The general belief is that imports are under-invoiced to evade high rates of import duty thereon and exports are over-invoiced in order to garner larger benefits under export incentive schemes. The Government has computerised Customs operations in major Custom Houses. One of

the objectives of the computerisation of Custom Houses is to create a data-base to enable verification of declared values. The investigation and intelligence has also been strengthened to tackle cases of misdeclaration of value.

[English]

Jute Packaging Material

*9. PROF. JITENDRA NATH DAS :
DR. ASIM BALA :

Will the Minister of TEXTILES be pleased to state

(a) whether the Government are aware of the large scale violation of the Jute Packaging Materials Act, 1987 by certain industries,

(b) if so, the details thereof and the number of cases registered against such industries for violation of the aforesaid Act during the last three years,

(c) the action taken by the Government against those industries, and

(d) the steps taken for strict compliance of the Act?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) (a) and (b) Government are aware that the cement industry in particular has continued to violate the provisions of the Jute Packaging Materials Act 1987 on various pretexts. The fertiliser (urea) industry also disobeyed provisions of this Act to a large extent till September/October 1996. However, most of them have lately started abiding by the statutory Reservation Order for urea packaging. The following statement shows usage of Jute Packaging Materials by cement and fertiliser (urea) sectors vis-a-vis calculated requirement in terms of the Statutory Reservation Order from 1993-94 to 1996-97 (upto Oct. 96):

April/March	Production of Cement by large plants (Mn.M.T.)	Requirement of Jute bags for full compliance of mandatory order (000 M.T.)	Actual off take of jute bags (000 M.T.)	Extent of default in terms of percentage
1	2	3	4	5
I. CEMENT				
1993-94	54.1	340.7	9.2	97.3
1994-95	58.4	367.8	1.0	99.7
1995-96	64.2	288.9	0.3	99.9
1996-97 (upto Oct.)	39.3	176.8	0.0	100.0
II. FERTILISER (Urea)				
1993-94	13.15	118.4	80.2	32.3
1994-95	14.13	127.1	85.5	32.7
1995-96	15.79	71.1	56.2	20.9
1996-97 (Upto Oct.)	8.61	38.7	18.9	51.2

Notes : (1) Requirement of jute bags for both cement and urea has been worked out as per mandatory percentage of use of jute bags on the basis of

(i) Cement Bags of 450 gms of 50 kg capacity taken into account

(ii) Urea : 450 gms. of D.W.T. cloth per bag.

No cases could be registered against any of the defaulting units for violation of the aforesaid Act so far due mainly to fact that matter was *subjudice* in the Supreme Court.

(c) to (d) Instructions have been sent to all urea manufacturing units informing them about the decision of the Central Government about the extension of the Validity period of the Reservation Order beyond 30.6.96 from time to time with advice to comply with the said Orders on pain of penal action. In response to these letters most of them have assured to use jute bags upto specified percentage during the October 1996 quarter and thereafter as required under Law. Monthly returns being received from them during the recent months reveal an encouraging improvement in the utilisation of jute bags.

All cement and urea manufacturing units in the country have been advised to submit monthly returns in prescribed format within the prescribed time schedule without fail on a regular basis with a view to monitoring closely the progress of utilisation of jute bags *vis-a-vis* the statutory reservation Order.

Show-cause notices have been issued to several cement and urea companies who have been found to be continuously violating the Reservation Order. While the urea units have assured full compliance cement units have pointed out certain legal and practical problems preventing them from complying with this Order. The considered opinion of the Ministry of Law has been sought by us in regard to the future course of action to be taken on the basis of the

replies to the show-cause notices received from defaulting the cement units. Government will be taking a view on these very soon.

Wholesale and Consumer Price Index

*10. SHRI MANIKRAO HODLYA GAVIT :
SHRI PARASRAM BHARDWAJ :

Will the Minister or FINANCE be pleased to state:

(a) the weekly rate of Wholesale Price Index and Consumer Price Index of essential commodities during the last six months;

(b) the weekly rate of inflation on point-to-point basis during the above period;

(c) the reasons for the continuous increase in the WPI, CPI and the rate of inflation; and

(d) the steps taken by the Government to check the prices of essential commodities and to contain the inflation rate?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The Wholesale Price Index Numbers (WPI) are constructed on weekly basis while Consumer Price Index Numbers for industrial workers (CPI-IW) are constructed on monthly basis. The two indices in respect of essential commodities together with their corresponding annual rates of inflation for the last six months are listed below :

Week end /Month	Price Index Number for Essential Commodities		Annual Rate of Inflation (%) (All commodities)	
	WPI (Base 1981-82=100)	CPI - IW (1982=100)	WPI	CPI - IW
1	2	3	4	5
03.08.1996	318.9		6.0	
10.08.1996	320.5		6.1	
17.08.1996	320.8		6.2	
24.08.1996	322.8		6.2	
31.08.1996	323.8	339	6.3	8.9
07.09.1996	325.6		6.4	
14.09.1996	327.2		6.4	
21.09.1996	329.1		6.6	
28.09.1996	328.2	342	6.4	8.5
05.10.1996	329.3		6.5	
12.10.1996	330.0		6.5	
19.10.1996	330.7		6.4	
26.10.1996	331.0	343	6.8	8.5

1	2	3	4	5
02.11.1996	331.8		6.7	
09.11.1996	333.2		6.5	
16.11.1996	334.7		6.4	
23.11.1996	332.8		6.8	
30.11.1996	333.6	348	6.7	8.7
07.12.1996	333.7		7.2	
14.12.1996	333.3		7.1	
21.12.1996	334.5		7.6	
28.12.1996	333.1	na	7.7	8.7
04.01.1997	333.2		7.8	
11.01.1997	332.6		7.6	
18.01.1997	335.4		7.5	
25.01.1997	335.0	na	7.7	na
01.02.1997	335.2		7.7	na

(c) The long overdue adjustment by about 18 per cent in the administered price of petroleum products in July 1996 and sharp escalation in prices of cereals and food articles due to decline in foodgrains production in 1996-97 contributed to inflationary pressures.

(d) The important steps which Government has taken to check the prices of essential commodities and to contain the inflation are:

- (i) Continuation of FCI's open market sale of rice and wheat;
- (ii) Import of wheat to augment public stocks of foodgrains;
- (iii) Import of edible oils and pulses at reduced duty.
- (iv) Strengthening of Public Distribution System;
- (v) Maintaining a liberal import policy for essential commodities such as sugar, edible oils, skimmed milk powder and pulses;
- (vi) Reduction of fiscal deficit in the budget proposals for current financial year to 5 per cent of GDP;
- (vii) Containing monetary growth to around 16.0 per cent in 1996-97 through prudent monetary policies.

[Translation]

National Handloom Credit Fund

*11. SHRI SOHAN BEER : Will the Minister of TEXTILES be pleased to state :

(a) whether the Meera Seth Committee, constituted for the development of Handloom Sector has recommended to create National Handloom Credit Fund for the promotion of handloom industry; and

(b) if so, the action taken by the Government thereon?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA):
(a) Yes, Sir.

(b) The recommendations of the Committee have been received very shortly and are under study.

[English]

Import of Coffee

*12. SHRI KODIKUNNIL SURESH : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have allowed import of coffee;

(b) if so, the reasons therefor and the total quantity of coffee imported with its value during the current financial year;

(c) whether the small and marginal coffee farmers are likely to be affected due to import of coffee; and

(d) if so, the steps taken by the Government to safeguard their interest?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (d) As a part of the gradual removal of restrictions on the import of consumer goods, the import of coffee roasted and decaffeinated or not decaffeinated in bulk packaging; and instant coffee including decaffeinated instant coffee in consumer packs or other than consumer packs is freely importable under the current Exim Policy. Import of green coffee is however restricted.

Details of import data related to coffee is published in the "Foreign Trade Statistics of India", a publication brought out by the Directorate General of Commercial Intelligence and Statistics, Calcutta, copies of which are available in the Parliament Library. Since import of green coffee continues to be restricted, import of roasted and decaffeinated coffee in small quantities is not likely to affect the small and marginal farmers.

Stock Invest Scheme

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

(a) whether the Government are aware that the Stock Invest Scheme has failed to achieve the objectives for which it was introduced;

(b) if so, the details thereof;

(c) whether the Government now propose to review the said Stock Invest Scheme; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Reserve Bank of India (RBI) have reported that as per information available with them, 56 commercial banks have introduced Stock Invest Scheme. The operations of the Stock Invest Scheme with reference to the objectives for which it was introduced are regularly reviewed by RBI in consultation with Securities & Exchange Board of India and suitable instructions are issued by RBI to the commercial banks from time to time. The facility of Stock Invest, has now been restricted only to individuals and mutual funds and that too against lien on term deposits, credit balances available in Savings Bank/Current account of the investors. A ceiling of Rs 10 Lakh per individual per capital issue has also been prescribed by RBI for issue of Stock Invests by banks. RBI have expressed the view that it would not be desirable to discontinue the Scheme at present.

Joint-Ventures with Bulgaria

*14. DR. KRUPASINDHU BHOI : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to set up any joint-venture project in collaboration with Bulgaria;

(b) whether any agreement has been signed between both the countries in this regard;

(c) if so, the details thereof; and

(d) the joint-ventures likely to be implemented during 1997?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (d) There is no specific proposal from the Government of India to set up any joint venture project in collaboration with the Government of Bulgaria at present. However, the Government of India has signed an Agreement with the Government of the Republic of Bulgaria on Trade and Economic Cooperation on December 4, 1996 which, among others, states (Article-9) that the Government of the Republic of India and the Government of the Republic of Bulgaria shall encourage investment and technological collaborations in each other's territories in accordance with laws and regulation in force in the respective countries, *inter-alia*, through establishment of joint-ventures including for third country markets. Both sides through the agreed minutes of the 11th Session of the Indo-Bulgarian Joint Commission on

Economic, Scientific and Technological Cooperation held in New Delhi between December 3-6, 1996, agreed to explore the feasibility of establishing collaborative partnerships and Joint Ventures in the areas like agriculture, wine & spirit industry, meat processing and poultry development, railways, chemicals, petrochemicals & pharmaceuticals, telecommunication, engineering, power, etc.

The Government of India is not aware of any specific joint venture which is likely to be implemented during 1997.

Amendment in Companies Act

*15. SHRI A.C. JOS : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have constituted any working groups to rewrite the Companies Act, 1956;

(b) whether the said groups have submitted its report;

(c) if so, the details of main recommendations made by the groups; and

(d) the time by which these recommendations are likely to be implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) The Government have set up a Working Group consisting of experts in law, economics and companies Act, 1956.

The Working Group has submitted its report on 12.3.1997 to the Government. The rewriting of the Companies Act is likely to take some more time. The Government proposes to circulate the report of the Working Group as also the draft Bill to be submitted by Working Group for a public debate.

Top Posts Vacant in PSUs

*16. SHRI PRITHVIRAJ D. CHAVAN : Will the Minister of INDUSTRY be pleased to state:

(a) the number of Central Public Sector Undertakings, which do not have permanent appointees as Chairmen and Managing Directors as on December 31, 1996;

(b) the names of such undertakings and date from which the post is vacant; and

(c) the steps being taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Twenty seven Central Public Sector Undertakings did not have regular appointees as Chairmen and Managing Directors as on December 31, 1996.

(b) The names of such Undertakings and the dates from which the posts are vacant are given in the *statement* attached.

(c) Filling up vacancies of Chief Executives of PSUs is a continuous process. Government have taken various steps

to eliminate delays in filling up the posts of Chief Executives of PSUs. These include monitoring of vacancies on regular basis, taking advance action by PESB for selection in respect of anticipated vacancies and prescribing time schedule for completion of formalities by the concerned Departments.

Statement

Sl.No.	Name of the PSU	Date of Vacancy
1	2	3
1.	British India Corpn. Ltd.	1.6.91
2.	Hindustan Photo Films Mfg. Co. Ltd.	1.10.92
3.	Bharat Bhari Udyog Nigam Ltd.	1.5.93
4.	Reyroll Burn Ltd.	22.12.93
5.	Handicrafts & Handlooms Exports Corpn.	9.11.94
6.	Bharat Aluminium Co. Ltd.	1.4.95
7.	Power Grid Corpn. Ltd.	31.7.95
8.	Tyre Corporation of India Ltd.	21.8.95
9.	Hindustan Copper Ltd.	31.8.95
10.	Indian Railway Finance Corpn. Ltd.	1.9.95
11.	Rail India Technical & Economic Service	1.11.95
12.	Kudremukh Iron Ore Co. Ltd.	1.12.95
13.	NEPA Ltd.	22.12.95
14.	Andaman & Nicobar Islands Forest & Plt. Dev. Corpn.	6.5.96
15.	National Fertilizers Ltd.	24.5.96
16.	North Eastern Handicrafts & Handlooms Dev. Corpn.	27.6.96
17.	Indian Railway Constr. Co. Ltd.	1.7.96
18.	Cochin Shipyard Ltd.	1.7.96
19.	National Instruments Ltd.	1.7.96
20.	Ferro Scrap Nigam Ltd.	9.7.96
21.	Hindustan Fluorocarbons Ltd.	31.7.96
22.	Hindustan shipyard Ltd.	1.10.96
23.	Airports Authority of India	15.10.96
24.	Mazagon Dock Ltd.	1.12.96
25.	Tungabhadra Steel Products Ltd.	1.12.96

1	2	3
26.	Triveni Structural Ltd.	1.12.96
27.	Sponge Iron India Ltd.	6.12.96

Free Trade Area

* 17. SHRI AJAY CHAKRABORTY : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to set up a "Free Trade Area" in the Eastern region involving Bangladesh, Bhutan, Nepal and India;

(b) if so, the details thereof; and

(c) the steps taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No, Sir.

(b) Does not arise

(c) Does not arise

Loan Waiver Demand From Coffee Growers

* 18. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether the coffee growers who were pooling their produces to Coffee Board have demanded from the Board that their loan arrears may be waived in view of huge amounts contributed by them to Coffee Pool Fund with the Board and still not returned to them;

(b) whether the fund which accumulated by their contribution has been appropriated for payment of amounts to some employees;

(c) if so, how much amount was so utilised by the Board since its inception, till-date;

(d) whether the Board has now decided to spend the fund which is still unutilised;

(e) if so, the reasons therefor;

(f) whether the coffee farmers or their organisations were consulted in this regard;

(g) if so, the details thereof and the outcomes thereof; and

(h) if not, the action taken by the Board in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (h) The coffee growers have demanded for waiver of their loan arrears. However, their demand for waiver of loan is not because they have been contributing to the Pool Fund as Coffee Board has made payment to the growers out of the sale of coffee realised by the Pool Fund according to the kind, quality and quantity delivered to the Pool. The Pool

Fund has come into being from the sale of the coffee by the Board from the Surplus Pool. The money from the Pool Fund has been utilised with the approval of the Board to implement the Voluntary Retirement Scheme approved for the employees of the Marketing Directorate of the Board by the Govt. of India in 1994. The total amount spent out of the Pool Fund towards the implementation of the Voluntary Retirement Scheme approved in 1995 till date is Rs. 35.18 crore towards ex-gratia and leave encashment and Rs. 5.22 crores towards pensionary benefit. With the liberalisation of coffee marketing, the balance funds available in the Pool Fund after making payments due to the coffee growers will be utilised towards payment of ex-gratia pension and pensionary benefits to the remaining staff of the Marketing Directorate.

All decisions regarding payments towards implementation of Voluntary Retirement Schemes from out of the Pool Fund were taken after detailed discussions and deliberations by the respective committees of the Board and duly approved by the Board.

World Economic Forum

*19. SHRI SANAT KUMAR MANDAL :
SHRI NANDEO DIWATHE

Will the Minister of FINANCE be pleased to state

(a) whether India participated in the 26th annual meeting of the World Economic Forum held in Davos recently;

(b) if so, the composition of the Indian Delegation including the industrialists;

(c) the details of assurances given to multinational companies for investment in various sectors; and

(d) details of problematic areas identified for action to facilitate economic cooperation?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes Sir.

(b) The composition of the official delegation to the 26th Annual Meeting of the World Economic Forum held in Davos is attached as *Statement*. Indian industrialists participated in the Davos meeting in their individual capacity. There was no officially approved delegation of industrialists.

(c) In his speech at the Plenary Session on 2nd February, 1997 on "Emerging Economies as the Driving Force of the Global Economy of the 21st Century" the Prime Minister observed that the multinationals have played a significant role in the global economy as the sources of technology and capital and they should play a positive role by creating sustainable relationships and partnerships with the host country.

(d) In his address to the India Session on 1st February, 1997 on "India Meeting the Challenges for High Growth" the Prime Minister indicated the strength and advantages of India for foreign investment. These include the largest democracy in the world, free and impartial judiciary and press, a large pool of skilled and English speaking man-

power, ethical business practices and a large and dynamic private sector. Regarding some concerns expressed by others about the pace and directions of the economic reforms and apprehensions of political uncertainty, the Prime Minister indicated that the fact that several significant reforms in various sectors of the economy have been announced within a relatively short period should allay such fears by all.

Statement

Composition of the official Indian Delegation who participated at the 26th Annual Meeting of the World Economic Forum held at Davos is as follows:

1. The Prime Minister
2. Shri P. Chidambaram, Finance Minister
3. Shri T.R. Satish Chandran, Principal Secretary to PM
4. Shri M.S. Ahluwalia, Finance Secretary
5. Shri A.N. Ram, Secretary, MEA
6. Shri A.V. Gokak, Secretary, Deptt of Telecommunications
7. Shri S. Narendra, PIO
8. Shri K.P. Balakrishnan, Ambassador of India, Berne
9. Shri S.S. Meenakshisundaram, Joint Secretary to PM
10. Miss Manjula Subramaniam, Joint Secretary to PM
11. Shri P.P. Shukla, Joint Secretary to PM

(Smt. Chenamma Deve Gowda, Personal medical and security staff and media representatives accompanied the delegation)

Debt Service Liability

*20. DR. RAMESH CHAND TOMAR:
SHRI DEVI BUX SINGH

Will the Minister of FINANCE be pleased to state:

(a) the debt service liability ratio of the country at present,

(b) whether the debt service liability ratio is likely to decline in near future; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The external debt-service ratio of the country (that is, the ratio of debt service to current receipts) for 1996-97 is expected to be around 25 per cent.

(b) and (c) The debt-service ratio has followed a declining trend in the recent years. After reaching a high of 35.3 per cent in 1990-91, the ratio declined to 25.7 per cent in 1995-96. The declining trend is expected to continue in future.

Manufacture of Cigarettes

1. SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Will the Minister of INDUSTRY be pleased to state:

(a) whether the manufacturing of cigarettes is more harmful for its workers than smokers;

(b) if so, the details of the study conducted in this regard; and

(c) the reasons for issuing more licences to multinational companies in this field?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Indian Council of Medical Research has informed that they are not aware of any reports on the health hazards among workers engaged in the manufacture of cigarettes.

(c) Manufacture of cigarettes attracts compulsory licensing under the Industries (Development & Regulation) Act and applications received for industrial licences are considered on merits as per the policy irrespective of the fact whether the applicant is a multinational company or an Indian company. During last 4 years, only M/s. R.J. Reynold Tobacco International S.A. Switzerland has been granted

foreign collaboration approval for setting up of a joint venture company in India for the manufacture of cigarettes.

[Translation]

Procurement of Iron-ore by MMTC from Madhya Pradesh

2. SHRI BUDHSEN PATEL : Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of iron-ore procured by the Metals and Minerals Trading Corporation from its mines in Madhya Pradesh during the Eighth Five Year Plan, mines-wise, year-wise;

(b) whether there is any need to augment the quantity of iron-ore from these mines for export purpose; and

(c) if so, the steps taken by the MMTC in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The details of mines-wise, year-wise quantities of iron ore procured by MMTC from mines in MP during the Eighth Five Year Plan period are furnished below:

	Kirandul		Bacheli		(In lakh tonnes)
	Lumps	Fines	Lumps	Fines	Total
1992-93	19.77	1.08	13.41	7.99	42.25
1993-94	19.14	3.21	10.32	10.33	43.00
1994-95	21.56	2.07	4.95	12.52	41.10
1995-96	18.60	1.30	7.15	10.35	37.40
1996-97 (Upto Jan. '97)	12.56	1.78	5.28	11.06	30.68

(b) Iron ore from Bailadila mines has adequate demand in the international market but due to pressures of domestic demand, export of this ore is regulated through quantitative ceilings fixed by the Govt.

(c) Does not arise.

[English]

Smuggling of Gold

3. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate(ED) claims to have detected a new route for gold smuggling from the Common Wealth of Independent States countries following the arrest of two persons in the Capital on charges of Foreign Exchange Regulation Act (FERA) violation;

(b) if so, the outcome of the investigation made in this case; and

(c) the preventive measures taken to meet the situation?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) Investigations are at a preliminary stage.

(c) A constant vigil is maintained to keep a check on such illegal activities.

Assistance for Sericulture

4. SHRI BAJU BAN RIYAN : Will the Minister of TEXTILES be pleased to state:

(a) whether a proposal to provide assistance to Tripura for development of sericulture in the State is under con-

sideration of the Union Government, and

(b) if so, the assistance likely to be provided during the current financial year for the purpose?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA) (a) and (b). No, Sir. However, Tripura is one of the States covered under the Action Plan for North-Eastern States for development of sericulture, being implemented by the Central Silk Board (CSB). Under the Action Plan, an outlay of Rs. 6.36 crores has been kept for Tripura, of which the CSB's share is Rs. 1.81 crores with the balance to be met by the state. The provision for the current financial year is Rs. 0.73 crores.

HDFC Bank Public Issue

5. SHRI JAI PRAKASH (HARDOI) Will the Minister of FINANCE be pleased to state

(a) whether the income-tax department investigated the details of allotment in the HDFC Bank public issue which were heavily over subscribed and bulk of the applications were through Stockinvest which were to be accompanied by applications from individuals only,

(b) if so, whether the income-tax department has since completed its investigation by now and if so, the details of the irregularities found therein, and

(c) whether any irregularity in the use of stockinvest facility has also been found and if so, the names of the bank which issued the stockinvest and the details of those who were issued stockinvest?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Yes Sir, information has been received by the Income Tax Department that certain irregularities have been committed in the subscription through stock invests in the HDFC Bank public issue. These are under investigation. The investigations are not yet complete.

(c) The Securities and Exchange Board of India (SEBI) has found subscription through fake/bogus stock invests in certain public issues. Reserve Bank of India has also found certain irregularities in the use of stock invests facilities by Bank of Rajasthan, Indus Ind Bank Ltd., Vysya Bank, HDFC Bank Ltd., Bank of Madura Ltd., Global Trust Bank LTD., State Bank of Saurashtra and Indian Bank. Fake stock invests were found to be issued by certain banks to M/s Trendline Finance Ltd., Prachi Leasing & Finance Ltd., Harihar Chemicals Ltd., Swarshilp Properties Ltd., Eil Fashions Ltd., Dwarkesh Finance Ltd., Venus Floriculture Ltd., Delicious Investment & Finance Ltd., Vikas Spinning and Weaving Mills Ltd.

Small and Medium Industry in Sikkim

6. SHRI BHIM PRASAD DAHAL : Will the Minister of INDUSTRY be pleased to state

(a) the number of small and medium industries established in Sikkim since its merger into Republic of India,

(b) whether State Government has requested to help and rejuvenation of small scale industries;

(c) if so, the details thereof;

(d) whether the Union Government propose to establish small or medium industries in Sikkim under Public Sector in near future, and

(e) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) (a) 294 small scale industries and 6 medium scale industries have been set up in Sikkim since its merger into Republic of India

(b) to (e) Information is being collected and will be laid on the table of the House

Banks Services for Customers

7. SHRI A. G. S. RAM BABU Will the Minister of FINANCE be pleased to state

(a) whether nationalised banks render service to customers on the pattern of the foreign banks;

(b) if not, the reasons therefor, and

(c) the steps proposed to be taken by the Government to make nationalised banks more consumerable and profitable oriented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) (a) and (b) Improvement of customer services is an area to which nationalised banks are giving attention on a continuing basis. Having regard to their network of branches spread throughout the country as contrasted with the limited presence of foreign banks in metropolitan areas as well as the different levels of application of technology in both these categories of banks, comparisons would not be appropriate. Further the nationalised banks provide a wide variety of services to all classes of customers.

(c) The Goiporia Committee which was constituted by the Reserve Bank of India had made a number of recommendations to improve customer service in the Banking Industry. The continuing implementation of these recommendations is aimed at providing better customer service by antionalised banks. The most significant among a number of steps taken to increase the profitability of nationalised banks is a concerted effort to reduce NPAs by better credit appraisal as well as by improving post-lending supervision.

[Translation]

Dugdha Washery Plant No. 1

8. SHRI R. L. P. VERMA : Will the Minister of COAL be pleased to state

(a) whether thousands of labourers have rendered jobless due to sudden closure of Dugdha Washery Plant No. 1 of Bihar, and

(b) if so, the steps taken to provide jobs to the unemployed labourers?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) No, Sir. It is not a fact that thousands of workers have been rendered jobless due to closure of Dugda-I Plant of Bharat Coking Coal Limited (BCCL). Only 320 persons affected as a result of closure of the plant have been re-assigned alternative job in Dugda-II plant of BCCL itself at present.

[English]

Funds for Handloom Weavers

9. SHRI R. SAMBASIVA RAO : Will the Minister of

TEXTILES be pleased to state:

(a) whether the Union Government have sanctioned funds to Andhra Pradesh Government for providing relief to cyclone affected handloom weavers;

(b) if so, the details thereof and the funds released so far out of it; and

(c) by what time the remaining Central assistance would be released for further aid to the weavers?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (c) Details of Release of Funds to the Andhra Pradesh Government for providing Relief to Cyclone affected Handloom Weavers under Various Schemes is as under :

(Figures in lakhs of Rs.)

S.No.	Name of the Scheme	Funds Sanctioned	Funds Released (out of 3)	Remarks/release of Remaining Funds
(1)	(2)	(3)	(4)	(3-4)
1.	Workshed-cum Housing Scheme	333.92	333.92	--
2.	Market Development Assistance Scheme	300.00	300.00	--
3.	Handloom Dye. Centres and Quality Dyeing Units Scheme	177.12	177.12	--
4.	Project Package Scheme	392.87	196.80	196.07*
5.	Integrated Handloom Village Development Scheme	463.00	228.50	234.50*

* The remaining funds would be released to the State Government of Andhra Pradesh after release of Central and State share by the State Government, receipt of utilisation certificate and physical progress report

Subsidy on Sericulture

10. DR. PRABIN CHANDRA SARMA : Will the Minister of TEXTILES be pleased to state:

(a) whether the Government of Assam has requested for increase in the subsidy on sericulture;

(b) if so, the action taken thereon; and

(c) the measures taken to boost the production of silk in Assam?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) No, Sir.

(b) Does not arise.

(c) In order to supplement the efforts of the State Government, the Central Silk Board (CSB) has established a network of its units for extending the necessary research,

extension, infrastructural and training support for development of sericulture in the State. Besides, Assam is one of the 12 non-traditional pilot States covered under the World Bank/SDC assisted National Sericulture Project. Assistance has also been provided for implementation of an action plan for development of silk industry in North-Eastern States including Assam. In additions, the State can also avail of assistance under the on-going approved schemes of CSB.

Value of Rupee

11. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that Indian rupees is weakening by an average 2 per cent per month; and

(b) if so, the steps the Government propose to take to arrest such a downwards trend ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) During the current financial year upto January 1997, the Indian rupee depreciated, on an average, by about 0.41 per cent per month against the US Dollar and by about 1.22 per cent against the pound Sterling. On the other hand, the rupee appreciated against the Japanese Yen, the Deutsche Mark and the French Franc by about 0.66 per cent, 0.37 per cent and 0.26 per cent per month, respectively during the same period.

(b) The exchange rate of the rupee is market determined. The foreign exchange market is monitored closely by the RBI and steps are taken, as and when necessary, to counter speculative pressures against the rupee and to maintain orderly foreign exchange market condition. The Foreign exchange market has behaved in an orderly fashion in 1996-97 so far.

Letters Received From M.Ps

12. SHRI RAMSAGAR. Will the Minister of FINANCE

	No. of letters received	No. of letters disposed off	No. of letters pending
Government of India	1728	1237	491
Reserve Bank of India	39	32	7

(c) and (d) Information is being collected and will be laid on the Table of the House.

Import of Raw Rubber

13. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state:

(a) the estimated domestic production and demand of raw rubber in the country during 1997;

(b) whether there is any proposal to import raw rubber during 1997; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH). (a) The estimated domestic production and demand of raw rubber in the country during 1997-98 are 5,85,000 MTs and 6,19,000 MTs respectively.

(b) No, Sir.

(c) Does not arise.

Frauds in Banks

14. SHRI MANGAL RAM PREMI : Will the Minister of FINANCE be pleased to state:

(a) the number of instances that have come to the notice of the Government where the officers in the private and public sector banks have cleared/ passed the cheques containing bogus signatures and also have issued the

be pleased to refer to the reply given to Unstarred Question No. 507 dated November 22, 1996 regarding "replies to letters of Members of Parliament" and state:

(a) whether the information asked for has since been collected,

(b) if so, the details thereof;

(c) the number of further letters received from Members of Parliament on the affairs of banks from November 22, 1996 till date, and

(d) how many out of them are pending for replies?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes Sir As per available information the number of letters received from Hon'ble Members of Parliament during the period from January 1, 1996 to November 22, 1996 are as follows:

cheque books on forged/ fake documents and have contravened the laid down banking norms during the last six months, and

(b) the action taken against the officers involved in such transactions bank-wise ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Reserve Bank of India (RBI) have reported that the present system of data collection in RBI does not generate information in the manner asked for in the Question. However, RBI recently collected information from Vysya Bank Ltd. regarding cheques with bogus signatures cleared/ passed for payment and cheque books issued on forged/ fake documents at their Delhi branches. It was reported that during the period from 1.6.1994 to 16.1.1996, five cheque books were issued on the basis of xeroxed copy/ fake requisition slips. 23 cheques with bogus signatures were passed for payment/ transfer during the period from 2.6.1994 to 14.6.1996. Three officers were awarded punishment of withholding one increment. Show cause notices have been issued by the bank to other concerned officials.

Financial Institutions

15. SHRIMATI VASUNDHARA RAJE : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the problems being faced by the financial institutions in the country;

(b) whether the financial institutions have requested the Government to allow them to collect deposits like the

scheduled commercial banks; and

(c) if so, the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Reserve Bank of India (RBI) has informed that it has permitted select all-India Financial Institutions (FIs) raise resources by way of term money borrowings, certificates of deposit and term deposits. However, some of the FIs have been approaching the RBI from time to time, for increase in the limits for raising resources through these instruments. RBI has not found it feasible to accede to such requests from FIs.

Applications for Loans in Orissa

16. SHRI BHAKTA CHARAN DAS : Will the Minister of FINANCE be pleased to state:

(a) the number of applications for loan received from small scale industries by the Public Sector Banks in Orissa during the last three years and the amount sanctioned in that regard;

(b) whether banks are not providing timely loans to the applicants as a result of which these industries turned sick; and

(c) if so, the remedial action the Government propose to take in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The data reporting system of the Reserve Bank of India (RBI) does not generate information in the manner asked for. However, based on the returns submitted to RBI by the scheduled commercial banks, the number of sick small scale industrial (SSI) units and the outstanding credit in respect of these units in the State of Orissa as at the end of March, 1993 March 1994 and March 1995 was as under :

(Rs crores)

	Number of Sick SSI units	Outstanding Amount
As on 31st March, 1993	13930	70.79
As on 31st March, 1994	17235	74.50
As on 31st March, 1995	20498	68.99

(b) and (c). RBI has issued instructions to all scheduled commercial banks that applications upto to a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/- within 8-9 weeks from the date of receipt of application. Banks have also been advised that requests for increases in credit limits should be considered expeditiously and decision taken promptly and in any case within six weeks.

Dues against NTC

17. SHRI RAM NAIK : Will the Minister of TEXTILES be pleased to state:

(a) the outstanding dues as on January 31, 1997 payable by the National Textile Corporation to all State Governments State-wise;

(b) the reasons for non-payment of dues in full;

(c) whether any time bound programme has been made to pay all dues in full; and

(d) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Removal of Import Restrictions under WTO

18. SHRI SHANTILAL PARSOTAMDAS PATEL : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have recently removed import restrictions on a number of items as part of its agreement with World Trade Organisation;

(b) if so, the details thereof ; and

(c) the impact on the indigenous industries dealing with liberalised items?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) As a part of the on-going process of liberalisation of the import regime under the Export and Import Policy 1992-97, through the Ministry of Commerce's Notification No 23 (RE-96)/92-97 dated 10 February 1997, quantitative restrictions on products which span 70 eight digit tariff lines have been eliminated, and in respect of products which span 98 eight digit tariff lines the restrictions on imports were relaxed through the placement of such products under the Special Import Licence list. These items include office machines and equipment, air conditioning units, cosmetics, perfumes, and glassware, as well as parts and components used in the manufacture of specified consumer goods. It is too early to assess the impact of these measures on indigenous industry.

Items put under OGL from Special Import Licence

19. SHRI DINSHA PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have recently shifted a number of items from Special Import Licence list to the Open General Licence (OGL) and from restricted list to the Special Import Licence list;

(b) if so, the details thereof, item-wise and the approximate duty the Government are likely to earn annually; and

(c) the impact on indigenous industries due to this change?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) Yes Sir as part of the ongoing process of review of the Export & Import Policy, changes in the Import Policy of a few items have recently been made as per details indicated in Ministry of Commerce Notification No. 23 (RE-96) dated 10.2.1997, copies of which are available in the Parliament Library. As the notification has been recently issued, it would be difficult to make any assessment regarding annual duty likely to be earned by Government on account of import of these items or their impact on indigenous industry

Decline in Production and Export of Cashew

20. SHRI T. GOVINDAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are providing any assistance to the cashew producers in Kerala to boost Cashew export;

(b) if so, the total subsidy provided to cultivate cashew crops in Kerala during each of the last three years;

(c) whether there is any decline in exports of cashew products;

(d) if so, the reasons therefor; and

(e) the remedial measures taken to boost exports during 1997?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Under the Centrally Sponsored Scheme on Integrated Development Programme on Cashew, Rs. 3,728 crores have been released during the last three years for activities related to planting, re-planting/rejuvenation, adoption of comprehensive production technology and plant protection

(c) and (d). The exports of cashew during the last three years were as under:

Year	Value (Rs. in crores)
1993-94	1045.31
1994-95	1241.97
1995-96	1231.07
1996-97	932.22
(April-Nov.)	
1995-96	818.20
(April-Nov.)	

There was a marginal decline in export of cashew during 1995-96 due to sluggish international market and stiff competition faced from our overseas competitors. However, during the current year the export of chashew has shown an upward trend.

(e) Measures taken to enhance exprots of cashew include: participation in international fairs abroad, arranging

Buyer-Seller Meets, publicity campaigns in the overseas markets and dissemination of information on quality requirements of the overseas buyers to Indian exporters.

Fire in Jharia Coalfield

21. SHRI SUSHIL CHANDRA : Will the Minister of COAL be pleased to state:

(a) the latest position in regard to meet the hazard of underground fire in the Jharia Coal belt of Bihar,

(b) the expenditure incurred on fire-fighting in this belt during each of the last three years;

(c) the number of fire-spots extinguished during the last three years, and

(d) the number of fire-spots still emitting fire and smoke?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Out of 70 fires identified in Jharia coalfield of Bihar at the time of nationalisation of coking coal mines in 1972, 10 fires have been completely extinguished. The remaining fires are by and large, under control

With the objective of finding a long-term solution to the problem of Jharia coalfield fires, a detailed diagnostic study was undertaken under the Jharia Mine Fire Control Technical Assistance Project with World Bank Assistance. The study has been completed and report submitted recently.

(b) Year-wise expenditure on fire fighting including expenditure on the diagnostic study during the last three years has been as under:

Year	(Figures in crores) Total expenditure
1993-94	1.79
1994-95	6.02
1995-96	14.36

(c) Five fires in Jharia coalfield were extinguished during the years 1993-94 to 1995-96

(d) Fire though under control still exists in 60 locations.

Production of Tea

22. SHRI AMAR ROYPRADHAN : Will the Minister of COMMERCE be pleased to state:

(a) the total number of tea gardens in the districts of North Dinajpur, Coochbehar, Jalpaiguri and Darjeeling of West Bengal, and

(b) the total gardens of tea being produced by the authorised and un-authorised tea gardens in above districts?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and

(b) Required information in respect of tea estates registered with the tea Board is as follows:

S.No.	Plantation Distt	No. of tea Estates (*)	Production * (in million kgs.)
1.	North Dinajpur	17	1.02
2.	Coochbehar	01	0.44
3.	Dooars (including Jalpaiguri)	167	127.55
4.	Darjeeling	88	11.29

* Estimated for the year 1996.

Provision of Loan to Textile Industry

23. SHRI CHHITUBHAI GAMIT : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank has instructed financial institutions and bank to provide loans to cotton textile mills for making payments towards voluntary retirement scheme aimed at rationalisation of workforce and modernisation of the industry; and

(b) if so, the details of procedure followed in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) Financial Institutions are examining the issue and have yet to decide on the implementation of these instructions.

[Translation]

SBI Jabalpur

24. SHRI DADA BABU RAO PARANJPE : Will the Minister of FINANCE be pleased to state:

(a) whether the employees of State Bank of India, Jabalpur staged a demonstration in respect of their various demands; and

(b) if so, the details of their demands and the Government's reaction thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) State Bank of India has reported that workmen employees resorted to demonstrations during lunch hour at Jabalpur for few days in January, 1997 in respect of various demands. The demands, *inter alia*, related to various service conditions of the workmen employees. However, the agitation has been withdrawn following a settlement with the staff federation of the bank.

Scheduled Tribes in PSUs

25. SHRI KACHARU BHAI RAUT : Will the Minister or INDUSTRY be pleased to state:

(a) the number of scheduled Tribe candidates recruited in the Public Sector Undertakings in the country particularly in Maharashtra during the last two years till date; and

(b) the scheme formulated for the recruitment of such persons in each Public Sector Undertaking during the year 1997-98 and the targets fixed in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Information is being collected and will be laid on the Table of the House.

Private Banking Companies/Banks

26. SHRI MUNAWWAR HASSAN :
SHRI VIJAY KUMAR KHANDELWAL :
SHRIMATI SHEELA GAUTAM :
SHRI I.D. SWAMI :

Will the Minister of FINANCE be pleased to state:

(a) the number of private banking companies/banks functioning in the country;

(b) the number of the private banking companies/banks which have submitted the proposals for making investment or setting up private sector banks in India, State-wise;

(c) whether the Government propose to give permission and recognition to such banks;

(d) if so, the details thereof;

(e) the guidelines issued by the RBI to regulate the working of these banks; and

(f) the manner in which the Government propose to vigil on these banks ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) There are 37 private sector banks incorporated in India functioning in the country

(b) The Reserve Bank of India (RBI) has not received any proposal from private banking companies/banks for making investment or setting up of private sector banks in India.

(c) to (f) Do not arise.

U.P. Spinning Mills

27. SHRI BACHI SINGH RAWAT 'BACHDA' :
SHRI JAGATVIR SINGH DRONA :

Will the Minister of TEXTILES be pleased to state:

(a) whether the spinning mills in Uttar Pradesh particularly in Uttranchal area are not functioning properly and have been declared sick; and

(b) if so, the steps taken by the Government for revival of those mills and to save the interests of the workers of those mills?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) As per information furnished by the Board for Industrial and Financial Reconstruction (BIFR), there were 35 textile mills in Uttar Pradesh registered with the BIFR as on 31.1.97. Out of these 7 cases of mills have been dismissed as non-maintainable, 3 mills have been declared no longer sick, 18 mills have been recommended for winding up, and rehabilitation schemes have been sanctioned in the case of 2 mills.

(b) Government has set up the BIFR to enquire into the working of sick industrial companies and to prepare and sanction, as appropriate, schemes for revival of mills. Government has set up Textile Workers' Rehabilitation Fund Scheme (TWRFS) to provide interim relief to workers rendered jobless due to permanent/ partial closure of mills.

[English]

Basic Minimum Services

28. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) the basic minimum services announced and subsequently approved by the Government;

(b) the amount spent on those programmes so far;

(c) whether the Government propose to continue the programmes pertaining to these basic minimum services during the Ninth Plan period, and

(d) if so, the fund reserved therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The seven basic minimum services identified by the Chief Ministers Conference held on 4-5th July, 1996 and approved by the Government are :

- (i) 100 per cent coverage of provision of safe drinking water in rural and urban areas.
- (ii) 100 per cent coverage of primary health service facilities in rural and urban areas.
- (iii) Universalisation of primary education.
- (iv) Provision of Public Housing Assistance to all shelterless poor families.
- (v) Extension of Mid-day Meal Programme in primary schools, to all rural blocks and urban slums and disadvantaged sections.
- (vi) Provision of connectivity to all unconnected villages and habitations.
- (vii) Streamlining the Public Distribution System targeted to families below the poverty line.

(b) A sum of Rs. 1690.42 crore has been released to States/UTs so far.

(c) Yes, Sir.

(d) A sum of Rs. 2466 crore has been allocated to States/UTs in the 1996-97 budget in addition to the provisions already made in the Annual Plans of States/UTs for these seven identified Basic Minimum Services. Out of this Rs. 250 crore was allocated for slum improvement programmes.

Liberalisation of Gold Import Scheme

29. SHRI KRISHAN LAL SHARMA.

SHRI K.H. MUNIYAPPA.

SHRI BHAKTA CHARAN DAS.

SHRI NAND KUMAR SAI.

SHRIMATI KETAKI DEVI SINGH.

SHRI SULTAN SALAHUDDIN OWAISI.

Will the Minister of FINANCE be pleased to state

(a) whether the Government have further liberalised the gold import policy recently;

(b) if so, the details thereof;

(c) the impact of liberalisation on the domestic prices of gold; and

(d) the quantity and value of gold imported in the country since the new scheme put in operation?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The Government has increased the limit of gold which can be imported by a Non-Resident Indian from 5 kgs. to 10 kgs. by issuing a Notification No. 1/97-Cus. dated 1.1.1997, subject to payment of customs duty at Rs. 220/- per 10 gms. in foreign exchange.

(c) It has been reported that the price of gold in domestic market has come down by about Rs. 120/- per 10 gms. after the increase in the ceiling.

(d) 49.86 tons of gold valued at Rs. 1908.34 crores has been imported from 1.1.1997 to 15.2.1997.

Per Capita Grant to States

30. SHRI CHAMAN LAL GUPTA : Will the Minister of FINANCE be pleased to state :

(a) the per capita Central grant given to each State during the Eighth Five Year Plan Period alongwith amount provided;

(b) the criterion fixed for providing Central grants; and

(c) the Central loans outstanding against each State at the end of 1995-96 and estimated to be at the end of 1996-97?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (c) A Statement is enclosed.

(b) The criteria and weightage fixed for providing Central assistance for State Plans under the Gadgil Mukherjee Formula is as under:

Criteria	Weightage%
1	2
A. Special Category States (10)*	30% share
B. Non-special Category States (15)**	70% Share
I. Population (1971)	60.00
II. Per Capita Income (a+b)	25.00
(a) States with per capita income below the national average	20.00
(b) All the 15 States	5.00
III. Performance (a to c)	7.50

* Presently in the pattern of 90% grant and 10% loan.

** Presently in the pattern of 30% grant and 70% loan.

(a) Tax effort 2.50

1	2
(b) Fiscal management	2.00
(c) National objectives (i to iv)	3.00
(i) Population Control	1.00
(ii) Elimination of female illiteracy	1.00
(iii) On-time completion of externally aided projects	0.50
(iv) Success in land reforms	0.50
IV. Special Problems	7.50
Total (I to IV)	100.00

Statement

Gross/per capita assistance provided during 9th Five Year Plan period 1992-97 and Ministry of Finance's loans outstanding as on 31.3.1996 and estimated to be outstanding as on 31.3.1997

States	Popula- tion 1971 (Lakhs)	1992-93		1993-94		1994-95		1995-96		1996-97		Loans out- standing as on 31.3.96 (Rs crores)	Loans estd. to be outstanding as on 31.3.97 (Rs crores)
		Gross Allo- cation (Rs.Crs)	Per- Capita (Rs.)	Gross Allo- cation (Rs.Crs)	Per- Capita (Rs.)	Gross Allo- cation (Rs.Crs)	Per- Capita (Rs.)	Gross Allo- cation (Rs.Crs)	Per- Capita (Rs.)	Gross Allo- cation (Rs.Crs)	Per- Capita (Rs.)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Special Category													
1. Arunachal Pr.	4.68	247.60	5291	277.49	5929	306.87	6557	413.80	8942	445.46	9518	195.91	234.68
2. Assam	146.25	756.41	517	946.99	579	898.67	614	984.24	673	1137.35	778	3518.88	3695.91
3. Himachal Pr.	34.60	277.99	803	333.07	963	386.37	1117	501.50	1449	549.95	1589	1371.34	1628.94
4. J & K.	46.17	730.64	1582	790.44	1712	839.83	1819	1042.25	2257	1202.78	2605	2541.92	2757.89
5. Manipur	10.73	19.70	1805	207.70	1935	248.37	2315	293.33	2734	337.68	3147	178.30	199.74
6. Meghalaya	10.12	172.86	1708	183.50	1813	236.85	2340	244.20	2413	281.06	2777	216.63	245.30
7. Mizoram	3.32	161.49	4664	177.48	5346	216.68	6527	258.48	7786	273.69	8244	126.30	152.28
8. Nagaland	5.16	164.48	3188	187.05	3625	252.90	4901	285.90	5541	305.72	5925	227.24	247.46
9. Sikkim	2.10	98.41	4686	107.96	5141	134.96	6427	173.51	8262	188.36	8970	119.09	135.06
10. Tripura	15.56	211.01	1356	224.58	1443	251.10	1614	295.22	1897	136.98	2166	317.61	354.23
Total A	278.69	3014.59	1082	3336.26	1197	3772.60	1354	4492.43	1612	5059.03	1815	8813.22	9651.23
B. Non-Special Category													
1. Andhra Pr.	435.03	552.50*	127	607.50	140	747.50	172	777.50	179	940.97	216	9560.69	10771.92
2. Bihar	563.53	776.31	138	870.31	154	957.31	170	1055.11	187	1276.98	227	8551.39	9868.34

1	2	3	4	5	6	7	8	9	10	11	12	13	14
3. Goa	7.95	42.008**	528	43.00	541	50.34	633	58.34	734	61.33	771	756.70	802.02
4. Gujarat	266.97	247.72	92	255.22	96	281.55	105	331.08	124	397.93	149	8635.83	9608.49
5. Haryana	100.37	121.37	121	158.37	156	198.71	198	215.37	215	231.10	230	3228.83	3705.24
6. Karnataka	292.99	265.34	91	280.34	96	308.15	105	379.15	129	455.88	156	5941.03	6713.22
7. Kerala	213.47	324.33	152	369.28	173	384.58	180	428.08	201	492.35	231	4178.54	4767.74
8. Madhya Pr.	416.54	493.30	118	536.03	129	567.03	136	670.03	161	839.19	201	5664.38	6361.42
9. Maharashtra	504.12	434.24	86	438.24	87	460.24	91	570.24	113	702.69	139	13413.63	14984.78
10. Orissa	219.45	339.90	155	339.90	155	379.90	173	438.34	200	520.10	237	4204.75	4797.34
11. Punjab	135.51	162.92	120	162.92	120	169.26	125	217.92	161	245.36	181	9610.91	10707.56
12. Rajasthan	257.66	385.76	150	396.51	154	438.51	170	484.56	188	382.68	226	6101.01	6979.06
13. Tamil Nadu	411.99	515.92	125	550.92	134	654.14	159	670.14	163	771.55	187	7441.11	8541.78
14. Uttar Pr.	883.41	1142.71	129	1192.80	135	1293.80	146	1511.93	171	1841.41	208	18831.22	21294.51
15. W. Bengal	443.12	425.72	96	463.54	105	524.64	118	618.78	140	883.94	199	11102.73	13211.17
Total B	5152.11	6228.04	121	6664.88	129	7415.96	144	8426.57	164	10242.60	199	117222.77	133114.59
Total (A+B)	5430.80	9242.63	170	10001.14	184	11188.56	206	2919.00	238	15301.63	282	126035.99	142765.98

* Excluded Rs. 23 crores of Arrears for 1991-92.

** Excluded Rs. 10 crores for assembly building as one time assistance

Note: The per capita figures are derived on the basis of 1971 Census Population as used in the formula according to the Population Policy Statement 1977.

\$: Including additional Central Assistance of Basic Minimum Services and Slum Development

Loans to Industries in Tamil Nadu

[Translation]

31. SHRI N.S.V. CHITTHAN : Will the Minister of FINANCE be pleased to state:

(a) the amount of assistance sanctioned and released by the financial and investment institution to industries in backward and under-developed areas of Tamil Nadu during each of the last two years and the current year so far;

(b) the number of units apply for these loans annually; and

(c) the details of guidelines adopted for considering the applications?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The information is being collected and will be laid on the Table of the House to the extent available.

Post of Election Commissioner

32. SHRI PRABHU DAYAL KATHERIA :
SHRIMATI RATNMALA D. SAVANOR:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether a post of Election Commissioner is lying vacant for a long time in the Election Commission;

(b) if so, the reasons therefor;

(c) whether the Government propose to make appointment to the said post at the earliest; and

(d) if so, the time by which the said appointment is likely to be made?

THE MINISTER OF STATE OF THE DEPARTMENT

OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) Yes, Sir.

(b) The post of Election Commissioner fell vacant on 12th December, 1996 consequent upon the elevation of Dr. M.S. Gill as the Chief Election Commissioner of India.

(c) and (d) The necessary action for appointment of the Election Commissioner is being taken and the appointment will be made soon.

[English]

Supervision Department of RBI

33. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state:

(a) whether the setting up of the department of supervision in Reserve Bank of India after the securities scam has brought any changes in the working of the commercial banks;

(b) if so, the details thereof;

(c) the number of times inspections of the banks, both private and public sectors, were carried out during the last three years bank-wise ;

(d) the salient findings thereof; and

(e) the action taken by the Government thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The Department of Supervision in the Reserve Bank of India has initiated a number of steps which have resulted in improvement in the performance of the banking/financial system. It has put in place a new 'ongoing' supervisory strategy comprising periodic on-site inspections a prudential supervisory reporting system consisting of supervisory returns to be submitted by the banks as supplement to the on-site inspections, strengthening the internal control systems in the institutions and advocating increased usage of external audits as a supervisory resource. In addition it was decided to put the periodicity of inspection on an annual cycle in respect of public sector banks, foreign banks and certain private sector banks. There has also been the introduction of the off-site monitoring system, constitution of the audit committee of the board in the banks, and appointment of monitoring officers for certain weak banks. These supervisory initiatives have resulted in improvement in the performance of the banks in terms of their capital adequacy ratios, reduction in the non-performing assets, improvement in the internal control systems and house keeping areas etc. as is evidenced from the reviews of the performance of the banks.

(c) The details of the number of times inspection of banks, both private and public sector banks carried out by RBI during the last 3 years are given in the attached statement.

(d) Irregularities in relation to prescribed procedures of banks and RBI instructions are mainly noticed at the time of periodical inspection of banks. The irregularities mainly

pertain to areas like deposits. (including Certificate of Deposits), internal control investment, window-dressing, stock invest scheme, credit management, non adherence to prudential limits, advances against selected commodities, advances against shares, review/renewal of credit limits, write off of bad debts etc.

(e) Based on the findings of the inspection, follow up action is taken by RBI. The comments of the bank on the inspection reports are obtained by RBI. Thereafter the Chief Executives of the bank are called for discussion by RBI for indentifying the steps required to be taken for removing the deficiencies. RBI monitors the implementation of the agreed follow up action.

Statement

Public Sectors Banks

Sl. No.	Name of Bank	No. of times inspected during the last 3 years (i.e. April-March 94-95, 95-96, 96-97)
1.	State Bank of India	1*
2.	State Bank of Bikaner & Jaipur	3
3.	State Bank of Hyderabad	3
4.	State Bank of Indore	3
5.	State Bank of Mysore	3
6.	State Bank of Patiala	3
7.	State Bank of Saurashtra	3
8.	State Bank of Travancore	3
9.	Allahabad Bank	3
10.	Andhra Bank	3
11.	Bank of Baroda	3
12.	Bank of India	3
13.	Bank of Maharashtra	3
14.	Canara Bank	3
15.	Central Bank of India	3
16.	Corporation Bank	3
17.	Dena Bank	3
18.	Indian Bank	3
19.	Indian Overseas Bank	3
20.	Oriental Bank of Commerce	3
21.	Punjab & Sind Bank	3
22.	Punjab National Bank	3
23.	Syndicate Bank	3
24.	Union Bank of India	3
25.	United Bank of India	3
26.	UCO Bank	3
27.	Vijaya Bank	3

* Earlier inspected in July 1993. Next inspection proposed shortly.

Private Sector Banks

Sl. No.	Name of Bank	No. of times inspected during the last 3 years (i.e. April-March 94-95, 95-96, 96-97)
1.	Bank of Madura Ltd.	2
2.	Bank of Rajasthan Ltd.	2
3.	Bariely Corporation Bank Ltd.	2
4.	Benaras State Bank Ltd.	3
5.	Bharat Overseas Bank Ltd.	2
6.	Catholic Syrian Bank Ltd.	3
7.	Federal Bank Ltd.	1
8.	Jammu & Kashmir Bank Ltd.	1
9.	Karnataka Bank Ltd.	3
10.	Karur Vysya Bank Ltd.	1
11.	City Union Bank Ltd.	1
12.	Lakshmi Vilas Bank Ltd.	1
13.	Lord Krishna Bank Ltd.	2
14.	Nedungadi Bank Ltd.	2
15.	Punjab Cooperative Bank Ltd.	2
16.	Ratnakar Bank Ltd.	2
17.	Sangli Bank Ltd.	2
18.	South Indian Bank Ltd.	2
19.	Tamilnad Mercantile Bank Ltd.	2
20.	United Western Bank Ltd.	2
21.	Vysya Bank Ltd.	2
22.	Dhanalakshmi Bank Ltd.	2
23.	Nainital Bank Ltd.	2
24.	Ganesh Bank of Kurundwad Ltd.	2
25.	Bari Doab Bank Ltd.	1
26.	Sikkim Bank Ltd.	1
27.	Kashinath Seth Bank Ltd.	1
28.	Indus Ind Bank Ltd.	1
29.	ICICI Bank Ltd.	1
30.	Global Trust Bank Ltd.	1
31.	HDFC Bank Ltd.	2
32.	Centurion Bank Ltd.	1
33.	Bank of Punjab Ltd.	1
34.	Times Bank Ltd.	1
35.	SBI Commercial & International Bank Ltd.	1
36.	IDBI Bank Ltd.	2
37.	Development Credit Bank Ltd.	1
38.	UTI Bank Ltd.	2

Price of Natural Rubber

34. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state:

(a) whether the price of natural rubber has come down this year from the rate which prevailed during January-February, 1996;

(b) whether farmers are in great agony due to crash in price;

(c) if so, the reasons therefor with the details of price month-wise from January, 1996 to February, 1997;

(d) whether the Government have taken any steps to provide remunerative or adequate price to farmers;

(e) if so, the details thereof and if not, the reasons therefor;

(f) whether the State Trading Corporation has started to procure natural rubber;

(g) if so, the details and if not, the reasons therefor; and

(h) the time by which the STC is likely to be started procurement of natural rubber?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) No, Sir. The price has not come down to unremunerative level.

(c) Does not arise.

(d) to (e) Does not arise in view of (b) above.

(f) to (h) As a part of their commercial operations, STC jointly with Kerala State Coop. Rubber Marketing Federation, Cochin, has purchased till date a quantity of 374 MT Natural Rubber (out of 510 MT ordered).

[Translation]

Assistance from National Renewal Fund

35. SHRI N.J. RATHWA : Will the Minister of INDUSTRY be pleased to state:

(a) whether Government of Gujarat had sent any proposal to the Union Government during the last three years, so far, regarding assistance from National Renewal Fund (NRF);

(b) if so, details of these proposals, year-wise, accepted, rejected and still under consideration;

(c) the reasons therefor; and

(d) by when these proposals are likely to be accepted?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) Yes, Sir. Two proposals from the Government of Gujarat have been received for assistance

from the National Renewal Fund for restructuring of the Gujarat State Textile Corporation Ltd. and Area Regeneration Scheme for closed textile mills, under liquidation. The amount of assistance sought from the National Renewal Fund for the above two proposals is Rs. 96.83 crores and Rs. 168.37 crores, respectively. Assistance from National Renewal Fund is available only for Voluntary Retirement Schemes in Central Public Sector Enterprises and Schemes for counselling, retraining and redeployment of rationalised workers.

[English]

Central Board to deal with Bank Frauds

36. SHRI PRAMOD MAHAJAN :
SHRI BIR SINGH MAHATO :
SHRI T. GOPAL KRISHNA :
DR. M. JAGANNATH :
SHRI NITISH KUMAR :
SHRI SURENDRA YADAV :
SHRI KRISHAN LAL SHARAMA :
RPOF. AJIT KUMAR MEHTA :
SHRI K. PRADHANI :
SHRI CHITTA BASU :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to set up a Board to deal with bank frauds and recommend ways and means to improve the management of the nationalised banks;

(b) if so, the details thereof;

(c) the role of the CBI as well as the Board in the investigation of bank frauds; and

(d) other steps being taken to deal with bank frauds?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) An assurance was given by the then Finance Minister in the Parliament in 1992 that government was considering establishment of a separate Special Bureau of Frauds to deal with serious frauds in banks and financial institutions. The scope of the Special Bureau had been under examination in consultation with Reserve Bank of India (RBI). On a subsequent examination of the matter it was felt that since banks are commercial institutions engaged in the business of lending which necessarily involves associated commercial risks and since a distinction is required to be made between cases of *bonafide* commercial judgement leading to loss and acts of malfeasance/criminal negligence, the jurisdiction of the CBI may not be excluded but a suitable mechanism may be put in place to isolate cases of criminality and malfeasance in banking transactions so that such cases can be expeditiously dealt with and investigated by CBI. RBI have since set up an Advisory Board on Bank Frauds to advise RBI on cases referred by the Central Bureau of Investigation (CBI) either directly or through Ministry of Finance for investigation/registration of cases against bank officers of the rank of General Manager and above.

For prevention of frauds and irregularities in public sector banks, steps have been taken for strengthening the internal control and audit systems. Board level Management Committees and Audit Committees have been set up. Public sector banks have also been advised by the RBI to appoint concurrent auditors at their large and extra large branches with a view to detect non-adherence to laid down procedures and prevent irregularities and frauds, if any, without loss of time. All public sector banks have vigilance machinery which is responsible for preventive and detective steps so as to prevent frauds and corrupt practices by the bank officials.

RBI constantly reviews the working of internal inspection and vigilance machinery of banks. RBI has also issued comprehensive guidelines for strengthening the control mechanism in banks. It also carries out a review of fraud cases on a continual basis advising the banks of *modus-operandi* in ingenious cases along with required safeguards to prevent their recurrence, proper training of operational personnel and investigations and scrutiny into reported cases of major frauds. RBI also conducts snap inspections of systems and procedures and control arrangements in frauds prone areas. In addition to on-site inspection which are conducted at prescribed intervals, RBI have put in place the mechanism of off-site monitoring system to enable improved supervision. In order to exercise integrated supervision over the financial system the Board for Financial Supervision (BFS) with its Advisory Council was constituted in 1994.

Export of Handloom Goods

37. SHRI GEORGE FERNANDES :
SHRI MAHESH KUMAR M. KANODIA :
DR. RAMA KRISHNA KUSMARIA :
SHRI A.G.S. RAM BABU :

Will the Minister of TEXTILES be pleased to state

(a) the total value of textiles particularly of raw cotton and fabrics exported during the last three years;

(b) the total value of handloom clothes exported during the above period and the foreign exchange earned therefrom;

(c) the names of the countries to whom it has been exported; and

(d) the steps taken to promote the export of textiles particularly of handloom clothes?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b) The exports of cotton textiles during the last three years have been as follows:

	value (Rs. Crores)		
	1993-94	1994-95	1995-96
1	2	3	4
Cotton Textiles (Fabrics, made-ups & yarn)	6300.92	8738.66	10390.04

1	2	3	4
Of which :			
(i) Cotton Fabrics (Mill-made & Power-loom)	2104.60	2891.30	3415.77
(ii) Cotton Fabrics (Handlooms)	281.59	320.22	254.82

(c) India's handloom products are being exported to more than a hundred countries. However, USA, the Member States of the European Union, Japan, Australia and Canada are the major markets for Indian handloom products.

(d) Government have been taking a number of steps to boost exports of Textile items, including handloom goods, from the country, such as sponsoring buyer-seller meets, participation in fairs in major markets releasing advertisements in foreign trade magazines, product development and quality upgradation through appropriate training programmes.

Subsidy to Small and Large Industries in J & K

38. SHRI GULAM RASOOL KAR : Will the Minister of INDUSTRY be pleased to state:

(a) the amount of subsidy given to small and large scale industries in J & K during each of the last three years including current year upto January, 1997,

(b) the name and location of industries which are given subsidy;

(c) whether subsidy is given on raw material, transport, electricity only ; and

(d) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The Yearwise amount of subsidy given to Small and Large Scale Industries alongwith No. of cases sanctioned is as under:

Sl. No.	Year	No. of cases sanctioned	Amount (Rs. in lacs)
1.	1993-94	210	534.18
2.	1994-95	214	379.40
3.	1995-96	313	816.66
4.	1996-97	424	825.92
(ending Jan. 1997)			

(b) District-wise units sanction subsidies is given as under:

Sl.No	Name of Distt.	No. of cases sanctioned Year-wise			
		93-94	94-95	95-96	Upto Jan.97
1	2	3	4	5	6
1.	Jammu	130	1312	190	321

1	2	3	4	5	6
2.	Kathua	4	12	49	46
3.	Udhampur	6	4	2	2
4.	Rajouri	-	1	-	-
5.	Srinagar	18	26	30	9
6.	Budgam	16	13	13	17
7.	Pulwama	22	10	8	10
8.	Anantnag	5	2	8	2
9.	Baramulla	7	10	9	12
10.	Kepwara	1	2	2	3
11.	Leh	1	2	2	1
12.	Kargil	-	1	-	1
Total		310	214	313	424

Names and locations in respect of Transport subsidy and Investment subsidy are given in *Statements I* and *II* attached.

(c) No, Sir. In addition other subsidies are given as under:

1. CST refund on raw material
2. CST refund on Machinery
3. 100% subsidy on DG sets will be available only after the sets have actually been installed.
4. 5% rebate of interest on working capital subject to maximum Rs. 10.00 lacs per year per unit will be available.
5. 100% subsidy on the cost of preparation of project reports.
6. Subsidy on ISI Mark Fee.
7. Stipend to Technocrats.
8. Capital Investment Subsidy.
9. New Industrial units are set up started commercial production shall be eligible for "Capital Investment Incentive" at 30% of their fixed capital investment subject to maximum of Rs. 30 lacs.
10. A new unit going in for fixed capital investment of Rs. 25 crores or above would be treated as "Prestigious unit." In their case the capital investment incentive at 30% of fixed capital investment would be subject to a maximum of Rs. 60 lacs.
11. 90% Transport subsidy from the Rail Head to Factory site for raw material and *vice versa* for finished goods.

(d) the details of subsidy are given as under:

Sl. No	Item	Amount of subsidy given			
		93-94	94-95	95-96 (ending Jan.97)	96-97
1	2	3	4	5	6
1.	CST refund				
	a. Units	95	126	115	1
	b. Amount (Rs. in lacs)	244.96	200.74	154.24	0.66
2.	Interest subsidies				
	a. Units	20	9	141	252

1	2	3	4	5	6
	b. Amount (Rs. in lacs)	5.03	1.49	424.71	186.41
3	Subsidy on DG set etc.				
	a. Units	21	21	9	64
	b. Amount (Rs. in lacs)	19.40	27.24	16.89	297.41

Statement I

J & K Govt. Transport Subsidy The Transport Subsidy Disbursed Year-wise

1994-95

(Rs. in lacs)

S.No.	Name of the unit	Amount disbursed
1	2	3
1.	M/s K.B. Roller Flour Mills Gulshan Nagar Budgam	12.58
2.	M/s Chinar Roller Flour Mills Sopore Baramulla	7.52
3.	M/s Tramboos Roller Flour Mills Sopore Baramulla	15.71
4.	M/s J.K. Roller Flour Mill Anantnag	9.12
5.	M/s Panna Cattle Feed Industries Baramulla	0.50
6.	M/s Kamal Nain and Co. Humhama Budgam	14.10
7.	M/s Gulmarg Roller Flour Mills Budgam	15.62
8.	M/s Trikuta Roller Flour Mills Udhampur	2.31
9.	M/s Dehkhani Cattle Feed Industries Srinagar	1.56
10.	M/s Super Feed Industries Budgam	2.50
11.	M/s R.C. Flour Mills Udhampur	3.78
12.	M/s Maruti Tile Industry Budgam	2.47
13.	M/s Saifco Roller Flour Mills Pampore Pulwama	9.98
14.	M/s Cool Up Bottling Co. Srinagar	1.84
15.	M/s Chand Roller Flour Mills Srinagar	13.52
16.	M/s Three Star Cattle/Poultry Feed Budgam	4.46
17.	M/s Sanson Products Baramulla	1.58
18.	M/s Sanar Agro Industries Kupwara	3.14
19.	M/s Wani Cattle Feed Industries Pulwama	2.88
20.	M/s J.K. Feed Industries Budgam	1.02
21.	M/s Double One Traders Srinagar	0.37
22.	M/s Agro Feeds Pulwama	0.93
23.	M/s Standard Rolling Shutters Pulwama	0.62
24.	M/s Appa Chaki Flour Mills Pulwama	1.50
25.	M/s Border Town Cattle/Poultry Feed Baramulla	0.50

1	2	3
26	M/s Gojree Cattle Feed Pattern Baramulla	0 50
27	M/s ESS AAR Products Baramulla	0 50
28	M/s Kashmir Feeds Budgam	1 50
29	M/s Jehlum Feeds Budgam	0 50
30	M/s Shan Poultry Srinagar	0 50
31	M/s Chinar Feeds Kupwara	0 50
32	M/s Star Feeds Pulwama	0 50
33	M/s Falcon Feed Industries Chanpora Budgam	0 50
34	M/s Krishna Flour and Oil Mills Srinagar	7 06
35	M/s Partab Tile Industries Budgam	0 50
36	M/s Sunny Tile Industry Budgam	0 50
37	M/s Der Cement Tiles and Jallies Pampore Pulwama	0 22
38	M/s Susheel Steel Industries Baramulla	0 28
39	M/s Diamond Steel Industries Baramulla	0 37
40	M/s Kuchay Traders Srinagar	0 30
41	M/s Standard Saw Mills Srinagar	0 35

*J & K Govt Transport Subsidy***1995-96**

(Rs in lacs)

S.No	Name of the unit	Amount disbursed
1	2	3
1.	M/s Chinar Roller Flour Mills Sopore Baramulla	7.13
2.	M/s Tramboo Roller Flour Mills Sopore Baramulla	10 58
3.	M/s K.B. Roller Flour Mills Gulshan Nagar Budgam	18 83
4.	M/s J.K. Roller Flour Mills Anantnag	6 40
5.	M/s Kashmir Enterprises Srinagar	0 55
6.	M/s Panna Cattle Feed Industries Baramulla	10.07
7.	M/s Sunduri Diamond Cutter Budgam	1.64
8.	M/s Gulmarg Roller Flour Mills Budgam	32.00
9.	M/s Trikuta Roller Flour Mills Udampur	5 30
10.	M/s Dehkhani Cattle Feed Industries Srinagar	1.30
11.	M/s Super Feed Industries Budgam	14.08
12.	M/s R.C. Flour Mills Udampur	4.31
13.	M/s Maruti Tile Industry Budgam	2.13
14.	M/s Saifco Roller Flour Mills Pampore/Pulwama	10 37
15.	M/s Cool Up Bottling Co. Srinagar	7 75
16.	M/s Three Star Cattle/Poultry Feed Budgam	3.20

1	2	3
17.	M/s Chand Roller Flour Mills Srinagar	6.80
18.	M/s Sanson Products Baramulla	5.70
19.	M/s Sanar Agro Industries Kupwara	8.74
20.	M/s Wani Cattle Feed Industries Pulwama	0.65
21.	M/s J.K. Feed Industries Budgam	5.26
22.	M/s Kashmiri Lal Jain and Co. I.E. Burzulla Budgam	0.98
23.	M/s Good Stock Furnishing Leh	0.45
24.	M/s Appa Chaki Flour Mills Pulwama	0.48
25.	M/s Border Town Cattle/ Poultry Feed Baramulla	3.29
26.	M/s Gojre Cattle Feed Pattan Baramulla	2.10
27.	M/s ESS AAR Products Baramulla	9.59
28.	M/s Kashmir Feeds Budgam	11.35
29.	M/s Jehlum Feeds Budgam	4.77
30.	M/s Falcon Feed Industries Chanpora Budgam	4.85
31.	M/s Shan Poultry Srinagar	4.05
32.	M/s Star Feeds Pulwama	0.50
33.	M/s Chinar Feeds Kupwara	3.76
34.	M/s Partab Tile Industry Budgam	4.84
35.	M/s Sunny Tile Industry Budgam	1.00
36.	M/s Sushell Steel Industries Baramulla	0.94
37.	M/s Diamond Steel Industries Baramulla	0.83
38.	M/s Kuchay Traders Srinagar	0.66
39.	M/s Standard Saw Mills Srinagar	0.34
40.	M/s Agro Enterprises Srinagar	1.10
41.	M/s Steel Stock Furniture Leh	0.28

*Transport Subsidy**Jammu & Kashmir Government***1996-97**

(Rs. in lacs)

S.No.	Name of the unit	Amount disbursed
1	2	3
1.	M/s Chinar Roller Flour Mills Baramulla	2.01
2.	M/s Chand Roller Flour Mills Srinagar	2.80
3.	M/s J.K. Roller Flour Mills Anantnag	6.88
4.	M/s K.B. Roller Flour Mills Budgam	1.00
5.	M/s Maruti Tile Industry Budgam	0.65
6.	M/s Sanson Products, Baramulla	2.00
7.	M/s Punjab Oil Mills & Allied Inds., Baramulla	1.44
8.	M/s Saifco Roller Flour Mills, Pulwama	3.12

1	2	3
9.	M/s Sanar Agro Industries, Kupwara	10.33
10.	M/s Dehkhani Cattle Feed Inds., Srinagar	0.42
11.	M/s Super Feed Industries, Budgam	6.26
12.	M/s Cool Up Bootling Co., Srinagar	4.16
13.	M/s Three Star Cattle/Poultry Feed, Budgam	1.25
14.	M/s Tramboo Roller Flour Mills, Baramulla	3.23
15.	M/s Gulmarg Roller Flour Mills, Budgam	10.77
16.	M/s Sunduri Diamond Cutter Budgam	0.90
17.	M/s Wani Cattle Feed Inds., Pulwama	8.22
18.	M/s J K Feed Inds. Budgam	2.23
19.	M/s Kashmiri Lal Jain and Co., Budgam	0.76
20.	M/s Trikuta Roller Flour Mills, Udhampur	1.86
21.	M/s Zaffron Oil Mills, Pulwama	2.18
22.	M/s Kashmir Flour & Oil Mills "B" Unit, Srinagar	11.48
23.	M/s Kamal Nain and Co., Budgam	6.00
24.	M/s Appa Chaki Flour Mills, Pulwama	3.44
25.	M/s Border Town Cattle/Poultry Feed, Baramulla	0.88
26.	M/s Panna Cattle Feed Inds, Baramulla	3.51
27.	M/s Gojree Cattle Feed, Baramulla	1.63
28.	M/s ESS AAR Products, Baramulla	4.86
29.	M/s Kashmir Feeds Budgam	3.55
30.	M/s Jehlum Feeds, Budgam	4.48
31.	M/s Falcon Feed Industries, Budgam	3.34
32.	M/s Shan Poultry, Srinagar	2.57
33.	M/s Chinar Feeds Kupwara	1.33
34.	M/s Star Feeds Pulwama	1.39
35.	M/s Partap Tile Industries, Budgam	3.56
36.	M/s Sunny Tile Industry, Budgam	0.48
37.	M/s Dar Cement Tiles and HJallies, Pulwama	0.86
38.	M/s Susheel Steel Industries, Baramulla	0.61
39.	M/s Kuchay Traders, Srinagar	0.53
40.	M/s Agro Enterprises, Srinagar	1.46
41.	M/s Union Carbide of India, Srinagar	10.27
42.	M/s Amin Associates, Srinagar	1.04
43.	M/s Chinar Mineral Products Pulwama	0.67
44.	M/s Khamil Feeds, Kupwara	3.09
45.	M/s New Royal Feeds Budgam	0.88

1	2	3
46.	M/s Dargar Cattle Feeds, Baramulla	3.57
47.	M/s Amir Cattle Feed Pulwama	5.54
48.	M/s Kashmir Cattle/Poultry Feed, Budgam	1.01
49.	M/s Delite Feed Budgam	3.49
50.	M/s New Kashmir Cattle/Poultry Feed Pulwama	2.64
51.	M/s Kohinoor Cattle Feed, Pulwama	2.19
52.	M/s Rose Industries, Baramulla	4.94
53.	M/s Zaingeer Cement Works Sopore, Baramulla	6.04
54.	M/s Shubul Roller Flour Mills, Anantnag	9.74

Statement II*Jammu & Kashmir Govt. CIS**The Capital Investment Subsidy sanctioned during last three years upto January, 1997*

1994-95..... Nil.....

Rs. in lacs

S.No.	Name of the unit with location	Amount sanctioned
1	2	3

1995-96

1.	M/s Trikuta Bakers, Udhampur	3.24
2.	M/s Nayyar Electrodes Pvt. Ltd., Jammu	7.58
3.	M/s Koul Plastic Aids (India) Pvt. Ltd., Jammu	2.82
4.	M/s Fun-n- Feast SIDCO, Complex, Jammu	0.87
5.	M/s Vandana Enterprises, Udhampur	2.11
6.	M/s R.S. Industries, Jammu	4.56
7.	M/s Mohit Industries, Kathua	2.84
8.	M/s J K Proofing Company, Jammu	7.76
9.	M/s Trishul Enterprises, Pvt. Ltd. Jammu	8.52
10.	M/s Osho Paints, Jammu	0.77
11.	M/s S.M. Plastic, Jammu	3.27
12.	M/s Trishul Silk International, Jammu	7.67
13.	M/s S.P. Lamp, Jammu	1.97
14.	M/s Jammu Milk Products, Jammu	1.78
15.	M/s Sharma Concrete Works, Udhampur	2.27
16.	M/s A.C.M.Sports, Kathua	0.06
17.	M/s Dhanwal Plastic, Kathua	1.02
18.	M/s Des Raj & Sons, Kathua	4.54
19.	M/s Jai Durag Enterprises, Kathua	0.42
20.	M/s Shiva Roller Flour Mills, Kathua	19.45
21.	M/s New Cool Fream Ice Factory, Srinagar	3.00

86.52 lacs

1	2	3
1996-97		
22.	M/s Universal Electric Works, Jammu	2.42
23.	M/s Comfy Garments, Jammu	8.49
24.	M/s Shiva Oil Mills Jammu	0.80
25.	M/s Rahul Industries, Jammu	0.16
26.	M/s Verma Industries, Jammu	2.45
27.	M/s New Amar Roller Flour Mills, Jammu	25.01
28.	M/s Star Plastic Jammu	8.47
29.	M/s R.K. Rice & General Mills, Jammu	7.93
30.	M/s S.K. Wire Nails, Jammu	4.11
31.	M/s Jak Pack Industries, Jammu	2.13
32.	M/s Chehal Feed Ind Kathua	3.02
33.	M/s Chinar Wires, Jammu	1.40
34.	M/s J K Super Enamelled Wire, Jammu	8.97
35.	M/s Kisan Milk Food Jammu	11.54
36.	M/s Flavour India, Jammu	15.92
37.	M/s Stark Breeding Farm, Jammu	8.62
38.	M/s Ashoka Rice Mills, Kathua	2.59
39.	M/s Gupta General Mills, Jammu	1.49
		115.53

G. Total . 86.51 + 115.53 = 202.05 lacs

Note : The Government of India have discontinued the Central Outright Investment Subsidy w.e.f. Sept., 1998. Subsequently the State Government have issued a package whereunder 30% Capital Investment Subsidy have been allowed to the units which have come up on or after 1.1.1995. Hence the information as desired have been repaired and the subsidy sanctioned to the above units is from 1.1.1995.

[Translation]

Concession Under Foreign Exchange Regulation Act, 1993

39. SHRI SHIVRAJ SINGH:
SHRI RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently announced some concessions under Foreign Exchange Regulation Act, 1993;

(b) if so, the details thereof;

(c) whether there has been an increase in the cases of violations of this Act recently; and

(d) if so, the action taken or proposed to be taken by Government in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) No Sir. However, RBI modify/

liberalise from time to time exchange control regulations in pursuance of sub-section (1) of Section 8 and sub-section (3) of Section 73 of Foreign Exchange Regulation Act, 1973. During the recent past i.e. from September, 1996 till date, relaxations announced by RBI are given in the *Statement* attached

(c) and (d) No Sir. As a matter of fact, there has been a decline in number of cases taken up for investigations for suspected contravention of the provisions of Foreign Exchange Regulation Act, 1973, during the year 1996, as against those of the earlier years 1994 & 1995, as per the figures indicated below :

Year	No. of Cases
1994	6601
1995	5633
1996	5486

Statement

The following relaxations have been announced by RBI during the recent past i.e. from September, 1996

1. Norms for NRI Investments have been further liberalised.
2. Facilitating expeditious credit of dividend interest to accounts of NRIs on their investment.
3. Further liberalisation in the scheme for overseas investments in joint ventures/wholly owned subsidiaries abroad.
4. Holding of foreign currency by residents.
5. The existing monetary ceilings for remittances towards certain trade related and current account transactions have been removed.
6. RBI to give approval for foreign currency loans under US \$ 3 million scheme.
7. Relaxations for grant of Automatic Approval by RBI for foreign collaboration/technical know how fees.
8. Relaxations for remittance of commission to overseas agents for advertisements secured for Indian newspapers, etc., enhancement in the monetary limit for Sundry Remittances, etc.

[English]

Consumption of Gold

40. SHRI PANKAJ CHOWDHARY :
SHRI NAND KUMAR SAI :
SHRIMATI KETAKI DEVI SINGH :

Will the Minister of FINANCE be pleased to state.

(a) whether there is a sharp increase in the consumption of gold in the country;

(b) if so, the total consumption of gold during the year 1996 vis-a-vis 1995; and

(c) the position occupied by the country in the World Gold Council in the consumption of gold?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) As per the information received from World Gold Council, the consumption of gold in the country is as given below :

	Year		
	1994	1995	1996*
World Consumption	3272	3550	3656
Consumption in India (in metric tons)	415	477	507

*Estimate.

(c) As reported by the World Gold Council, consumption in India (which includes imports as also recycled gold) ranked highest both in 1995 and 1996.

[Translation]

Indemnity Bond from Pensioners

41. SHRI MANOJ KUMAR SINHA : Will the Minister of FINANCE be pleased to state:

(a) whether the Nationalised Banks are authorised to collect Indemnity Bond from those people who receive pension from Banks;

(b) whether the Government are aware that certain branches of State Bank of India have refused to give pension without Indemnity Bond, and

(c) the criteria formulated by the Government in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (c) Under the scheme for payment of pension to Central Government Civil Pensioners by the Public Sector Banks, a pensioner is required to give an undertaking to the Bank from where he proposes to draw his pension. The undertaking is an agreement by the pensioner that excess payment, if any, credited to his account due to delay in receipt of any material information or due to any *bonafide* error, can be recovered by the Bank by debit to his account or any other account or deposits belonging to him in the possession of the Bank. The undertaking further provides that the pensioner undertakes and agrees to bind himself/his heirs/successors/executors and administrators to indemnify the Bank from and against any loss suffered or incurred by the Bank in so crediting his pension to his account under the scheme

(b) No reports appear to have been received by the Government to the effect that, in addition to the prescribed undertaking, any Indemnity Bond sought by any branch of SBI. SBI have been advised to instruct their branches that the scheme does not provide for obtaining any indemnity bond as distinct from the prescribed undertaking.

Single Window System for Foreign Investment

42. SHRI ANNASAHIB M.K. PATIL :
SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are contemplating on single window system for according approval to the foreign investment schemes at the earliest;

(b) if so, the details thereof; and

(c) the time by which a final decision is likely to be taken in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) Foreign Investment Promotional Board has been designated as a Single Window nodal agency for according approval to foreign direct investment proposals by the Govt. of India.

[English]

Premium Rates of Insurance

43. SHRI L. RAMANA : Will the Minister of FINANCE be pleased to state:

(a) the details of the authorities who decides the premium rates and conditions of insurance; and

(b) the power of Tariff Advisory Committee in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Tariff Advisory Committee (TAC), established under section 64 U of the Insurance Act, 1938 is the authority to control and regulate the rates, advantages, terms and conditions that may be offered by insurers in respect general insurance business.

In terms of section 64UC of the Insurance Act, 1938 the TAC may from time to time and to the extent it deems expedient control and regulate the rates, advantages, terms and conditions that may be offered by insurers in respect of any risk or of any class or category of risks, the rates, advantages, terms and conditions of which, in its opinion rates, advantages, terms and conditions shall be binding on all insurers.

Decline In Foreign Trade

44. SHRIMATI RATNMALA D. SAVANOR:
SHRI R. SAMBASIVA RAO:
SHRI KACHARU BHAU RAUT:

Will the Minister of COMMERCE be pleased to state:

(a) whether both the exports and imports have drastically declined during 1996;

(b) if so, the reasons therefor and the details of shortfall of both exports and imports during 1996;

(c) whether any concrete programme has been drawn up after having discussions and making sector-wise assessment of the reasons for the poor performance on the foreign trade front ; and

(d) if so, the details thereof and the main target set for the import and exports during 1996 and to what extent it fell short?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). As per DGCI&S data, exports during April-Dec. 1996 are estimated at US \$ 24204.83 million representing a growth of 6.36% over the export level valued at US \$ 22757.31 million for the same period last year. Imports during April – Dec. 1996 are estimated at US \$ 27452.39 million which is 4.41% higher than the level of US \$ 26292.17 million for the same period last year.

(c) and (d). Export performance is influenced, *inter-alia*, by international market conditions infrastructure, policy framework etc. Export promotion is a continuous ex-

ercise by the Government through simplification of policy and procedures for providing export friendly environment involvement of States in export promotion consultation with export organisations trade and industry to tackle general as well as sector specific problems for initiation of appropriate remedial measures from time to time.

At the beginning of the year 1996-97 it was envisaged that export would grow by 18-20% over the level of exports of the previous year. Having regard to the performance during the year its is felt that exports in the full year might be lower than originally anticipated. No targets are fixed for imports.

[Translation]

Funds for Handloom Co-operative Societies

45. SHRI D.P. YADAV : Will the Minister of TEXTILES be pleased to state :

(a) the number of Handlooms Co-operative Societies functioning at present in Uttar Pradesh;

(b) the amount of financial assistance provided to them by the Union Government during the last year; and

(c) The schemes under which assistance is being given to them alongwith the guidelines in this regard?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) There are 4817 Handloom Co-operative Societies functioning at present in Uttar Pradesh as reported by the State Government.

(b) and (c) Financial assistance is provided by the Government of India to all the Handloom Organisations including Co-operative Societies on the basis of the proposals received from the State Governments. Funds released under various on-going programmes to Government of Uttar Pradesh as a whole alongwith guidelines are as under:

(i) *Handloom Development Centre/Quality Dyeing Unit*: Funds provided under the scheme are to redress the important problems faced by the handloom weavers like supply of yarn of requisite count, lack of quality dyeing facility, training in dyeing practices, marketing facilities, working capital, design development etc. During the year 1995-96, a sum of Rs. 140.13 lakhs had been released to the state Government of Uttar Pradesh under the scheme for setting up of 7 Handloom Development Centres and 8 Quality Dyeing Units.

(ii) *Project Package Scheme*: In order to provide component-wise set of need based support and to enable accrual of benefit physically available to weavers the Government of India introduced Project Package Scheme under which Rs.42.35 lakhs had been released to the Government of Uttar Pradesh for 5 Projects during 1995-96.

(iii) *Integrated Handloom Village Development* : To provide all types of facilities in terms of skill upgradation, productivity, infrastructure and to give concerted and special attention to languishing and traditional crafts, the

Scheme of Integrated Handloom Village Development was introduced in the year 1991-92 under which a sum of Rs. 24.35 lakhs had been released to the Government of Uttar Pradesh covering 2 villages.

(iv) *Market Development Assistance*: This Scheme provides assistance to Primary Societies including Handloom Corporations, Apex Societies to meet the expenditure on interest subsidy, rebate/discount and other consumer incentives on Non-Janata Handloom products, Capital/ Margin Money for setting up of showrooms and various other purposes approved by the State/Central Government. A sum of Rs. 415.56 lakhs has been released to Government of Uttar Pradesh, out of which Rs. 15.87 lakhs was released in favour of Primary Societies.

(v) *National Design Collection Programme*: In order to obtain better designs and their sale through special exhibitions and related publicity efforts, Government of Uttar Pradesh had been provided a sum of Rs. 1.75 lakh in 1995-96 under National Design Collection Programme.

(vi) *Margin Money for Destitute Weavers*: Under this Scheme co-operative societies who have atleast 50% of Destitute Weavers and if the society is running in profit for the last two years and also having marginal losses not more than 10% of the turn-over are eligible to get assistance @ Rs. 2,000/- per destitute weaver subject to a maximum ceiling of Rs. 1.00 lakh per society. During 1995-96, a sum of Rs. 47.53 lakhs was released to Government of Uttar Pradesh.

(vii) *Group Insurance Scheme*: Government of India has introduced this Scheme for Handloom Weavers from the Year 1992-93 in order to meet socio-economic obligation of weaver towards his family and the uncertainty of his working capacity in old age. Under the Scheme, a weaver is provided an Insurance cover of Rs. 10,000/- for an annual premium @ Rs. 120/-. The premium is shared equally between the beneficiary, the Central/State Governments. During 1995-96, a sum of Rs. 10.00 lakhs was provided to Uttar Pradesh Government.

(viii) *Thrift Fund Scheme*: This Scheme provides a measure of social security to the weavers by envisaging creation of a fund in the nature of provident fund. Weavers are required to contribute 8% of their wages to the funds and both the Central and State Governments contribute 4% each. During 1995-96, a sum of Rs. 22.50 lakhs was released to Government of Uttar Pradesh.

(ix) *Workshed-cum-Housing Scheme*: The objective of the Scheme is to provide a dwelling unit and suitable work place to weaver to improve their productivity and earnings. Under the Scheme, the estimated cost of Rural House-cum-Workshed is Rs. 20,000/- for which a Central subsidy of Rs. 14,000/- is provided and of Urban House-Cum-Workshed is Rs. 30,000/- for which also the same amount of Central subsidy is made available. For worksheds the unit cost is Rs. 5,000/- for which Central Government provides a subsidy of Rs. 4,000/-. During 1995-96 a sum of Rs. 100.00 lakhs was released to Government of Uttar Pradesh.

(x) *Janata Cloth Scheme*: Under this Scheme, subsidy is provided @ Rs. 3.40 per sq. mtr. on production and thereafter on deliveries of Jananta Cloth. In Uttar Pradesh,

subsidy is provided to U.P. Handloom Corporation and UPICA. A sum of Rs. 425.47 lakhs was released in favour of Uttar Pradesh Industrial Cooperative Association.

(xi) *Hank Yarn Price Subsidy Scheme*: In the wake of unprecedented hike in prices of yarn, the above scheme was introduced under which a subsidy @ Rs. 20/- per kg. was granted to handloom organisations. A sum of Rs. 229.86 lakhs was released during 1995-96 to Government of Uttar Pradesh. Out of which Rs. 108.55 lakhs was released to Uttar Pradesh Industrial Cooperative Association (UPICA).

Foreign Investment

46. SHRI DATTA MEGHE: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have offered an open invitation for foreign investment in the country,

(b) if so, the details thereof;

(c) whether any other country has asked India or Indian industrialists abroad for investment in their country; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) The role of Foreign Direct Investment as a means to support domestic investment for achieving a high level of economic development is well recognised. Increasing the inflow of FDI into the country has been an important cornerstone of the economic reforms programme with the objective of moving India rapidly into the global economy, making Indian industry internationally competitive, ensuring optimal utilisation of human and natural resources and transforming India into a major partner of developed and developing nations. With these objectives in view, Government of India encourage foreign investment in India. Similarly other countries also have their programmes and they also encourage foreign investment in their countries where industrialists including from India could avail of available opportunities.

Fraud in Insurance Claims

47. SHRI PAWAN DIWAN:
SHRI MOHAMMAD ALI ASHRAF FATMI:

Will the Minister of FINANCE be pleased to state:

(a) whether the persons involved in the fraud insurance claims cases during 1994 and 1995 could not be punished as no action was taken against them;

(b) if so, the reasons therefore in each case;

(c) the number of cases handed over to C.B.I. out of them; and

(d) the steps the Government propose to take to prevent fraud insurance claims?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir. It has been reported by the

Life Insurance Corporation of India and the General Insurance Corporation of India that necessary action has been initiated against the persons involved in fraudulent insurance claims detected during the years 1994 and 1995.

(b) Does not arise.

(c) Eight cases have been referred to the Central Bureau of Investigation.

(d) Whenever instances of fraudulent insurance claims come to light, investigations are carried out by the concerned departments in consultation with Vigilance Departments of respective companies/Corporations and necessary action is initiated. Regular audit is conducted by Internal Audit Departments to check occurrence of such frauds. CBI is informed when outside parties are involved. If any connivance of insurance employees is noticed, disciplinary proceedings are initiated. The vigilance activity of the Insurance Corporations/Companies are monitored at the Board level of the Corporations/Companies as well as at Ministry's level also. These measures help to a large extent, in preventing corrupt practices in the Insurance Companies/Corporations.

[English]

Frauds in Canara Bank

48. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the newsitem captioned "Bedi brothers find lakhs missing from bank account" appearing in the *Times of India* dated December 21, 1996;

(b) if so, whether five cheques amounting to Rs. 9 lakh were cashed by someone from Canara Bank's Rajouri Garden Branch, New Delhi;

(c) if so, the manner in which five cheques were cashed one after the other on forged signatures and the bank authorities failed to check the fraud;

(d) whether any departmental enquiry or police complaints have been made by the bank authorities;

(e) if so, the details thereof; and

(f) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Yes, Sir.

(c) to (f) Canara Bank has reported that the five cheques were from the cheque book issued to the account holder and the signatures appearing in the cheques appear to tally with the specimen signature lodged with the bank. All the five cheques were paid across the counter in good faith without any negligence on the part of the bank. The bank has reported that even though statements of account were regularly made available to the account holders, the alleged fraud was brought to the notice of the bank only when the bank pointed out that in one subsequent cheque the seal of the account holder was not affixed. The internal

investigations conducted by the bank did not reveal any staff involvement. The bank has also reported that it got the signatures examined by a hand writing expert who confirmed pictorial similarity in these signatories i.e., forgery in the signature cannot be detected by a layman without scientific analysis/aid of magnifying lens.

Since the party had filed a police complaint and FIR has already been registered, the banks has not filed a separate police complaint in the matter.

Foreign Exchange Regulation Act

49. SHRI G.A. CHARAN REDDY :
SHRI SUDHIR GIRI :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to replace Foreign Exchange Regulation Act (FERA) with a comprehensive, progressive legislation covering all aspects of money laundering in view of liberalisation;

(b) if so, the details thereof; and

(c) the time by which the new legislation is likely to be brought forward ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Major changes in FERA were carried out *vide* Foreign Exchange Regulation (Amendment) Act, 1993 (29 of 1993). However, a comprehensive review of FERA is currently being undertaken and further changes, if necessary, may also be considered.

With regard to legislation on money laundering, a Bill may be moved in Parliament in the ensuing Budget session.

IDBI Loan to GSECL

50. SHRI SATYAJITSINH DULIPSINH GAEKWAD :
SHRIMATI BHAVNABEN DEVRAJBHAI CHIKHALIA :

Will the Minister of FINANCE be pleased to state:

(a) whether Gujarat State Electricity Company Limited has sought a loan of Rs. 600 crores from Industrial Development Bank of India for the two power projects;

(b) if so, the details thereof; and

(c) the decision taken thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). The Industrial Development Bank of India (IDBI) has reported that Gujarat State Electricity Corporation Limited (GSEC) has approached it for a term loan for setting up two coal based power plants. IDBI is examining the proposal.

Small Scale Industries

51. SHRI AYYANNA PATRUDU : Will the Minister of INDUSTRY be pleased to state:

(a) whether attention has been drawn to the news item captioned "SSIs demand parity with large units" appearing in the *Indian Express* dated January 3, 1997;

(b) if so, the reaction of the Government to the parity demand of Small Scale Industries with large units; and

(c) the action proposed to be taken in this regard ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) and (c) The parity demanded in the news item is mainly with regard to the availability of cheaper credit as small units now pay guarantee commission charges at the rate of 2.5% over and above the interest rate. According to Reserve Bank of India, guarantee cover is obtained in respect of small units as no security is available. Banks, therefore, safeguard their interest by taking DICGC cover. This also additionally encourages banks to extend loan to SSIs. Besides, demand has been made for providing credit without collateral security. As per Reserve Bank of India guidelines/norms, for loans upto Rs. 25,000 collateral security/third party guarantee should not be taken.

Imposition of Export Obligation Condition on Foreign Investment

52. SHRI CHITTA BASU : Will the Minister of COMMERCE be pleased to state:

(a) whether any proposal is under consideration of the Government to make export obligation as a pre-condition for foreign investment as in the case of some South-East and East Asian countries;

(b) if so, the details thereof and if not, the reasons therefore;

(c) whether the Government are aware that foreign investors do not export sizeable commodities manufactured in the country as per their export commitments;

(d) if so, the details thereof; and

(e) the steps proposed to be taken by the Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) No, Sir. As per the present policy, foreign investors who propose to take up manufacturing in India of the 22 specified industries in the consumer goods sector, have to meet the condition of dividend balancing. Further, export obligation is also imposed where a foreign equity participation in a Small Scale Industry (SSI) unit exceeds 24% or a non-SSI unit proposes to manufacture an item reserved for SSI. Export Oriented Units with foreign investment are also obliged to export entire production, except sale in the domestic tariff area as admissible under the Exim Policy.

(c) to (e) The foreign investors are obliged to export their manufactured products as per export obligation under the relevant scheme. Their export performance is monitored by the concerned Departments/Agencies of the Government of India and appropriate penal action is taken in cases of default as per prescribed norms

Dearness Allowance

53. SHRI K.H. MONIYAPPA : Will the Minister of FINANCE be pleased to state:

(a) whether one more instalment of Dearness Allowance has become due for the Union Government employees from January 1, 1997 due to the sharp increase in the prices of essential commodities;

(b) if so, the details thereof; and

(c) the time by which the D.A. would be announced/sanctioned by the Union Government ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) In accordance with the existing formula relating to the grant to dearness allowance to the Central Government employees, additional instalments of dearness allowance become due from 1st January and 1st July every year on the basis of percentage increase in the 12th monthly average of All India Consumer Price Index for Industrial Workers (General) (1960=100) over the base index of 608. The instalment due from 1st January normally becomes payable with the salary for the month of March, paid in April

Conversion of I.R.B.I.

54. LT. GEN. SHRI PRAKASH MANI TRIPATHI :
DR. LAXMINARAYAN PANDEY :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have converted the Industrial Reconstruction Bank of India (IRBI) into a company;

(b) if so, the details thereof; and

(c) the benefits likely to be accrued to the Government and other shareholders in the IRBI as a result thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) An Ordinance to provide for the transfer and vesting of the undertakings of the Industrial Reconstruction Bank of India to and in the Company to be formed and registered as a Company under the Companies Act, 1956, and for matters connected therewith or incidental thereto and also to repeal the Industrial Reconstruction Bank of India Act, 1984 was promulgated on 24th January, 1997. Necessary action for introduction of the Bill to this effect in the current session of Parliament is being taken.

Coal Linkage for Power Plants

55. SHRI K.P. SINGH DEO :
SHRI N.J. RATHWA :

Will the Minister of COAL be pleased to state

(a) the number of coal based power plants in the country;

(b) whether the proposal to provide coal linkage for some power plants are pending for the approval of the Government;

(c) if so, the details thereof and the number of such

proposals approved during each of the last three years, State-wise; and

(d) by the when the remaining proposals are likely to be cleared ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) The number of existing coal based power plants in the country are 74.

(b) and (c) There are 8 proposals for consideration of coal linkage, for which final decisions have not been taken.

The no. of proposals for which coal linkage has been approved in the past 3 years, statewide is as given under :

	1996	1995	1994
West Bengal	1	-	2
Orissa	1	1	-
U.P.	1	1	-
Bihar	-	-	1
M.P.	2	6	-
Tamil Nadu	-	-	1
Mizoram	1	-	-
Maharashtra	-	-	3
Gujarat	1	-	2
Andhra Pradesh	3	-	-
	10	8	9

(d) Clearance of proposal will depend upon decision of Standing Linkage Committee meetings held periodically after examining the feasibility of linkage in consultation with coal companies, Ministry of Railway and other details on the thermal power stations furnished by CEA/Ministry of Power.

Public Sector Undertakings

56. SHRI TARIQ ANWAR : Will the Minister of INDUSTRY be pleased to state:

(a) whether Public Sector Undertakings are likely to be categorised; and

(b) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) The Public Sector Undertakings have been categorised into 4 Schedules, namely, Schedule 'A', Schedule 'B', Schedule 'C' and Schedule 'D' taking into consideration various quantitative and qualitative factors like investment (paid up capital plus long term loans), capital employed, net sales, profitability, number of employees, number of units, national importance, complexities of problems, level of technology employed, prospects for expansion/diversification, competition from other sectors, etc. At present there are 42 Schedule 'A', 89 Schedule 'B', 64 Schedule 'C' and 13 Schedule 'D' companies.

Foreign Investment

57. SHRIMATI GEETA MUKHERJEE : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government's decision to expand the list of industries where automatic approvals of foreign equity are permitted has had any impact on the flow of foreign investment in the country; and

(b) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Since the expansion of the list of industries for automatic approval for foreign investment has been done recently vide Press Note No. 2 dt. 17.1.97, it is premature to comment on its immediate impact on the inflow of foreign investment.

Weigh-bridges on Railway Siding

58. PROF. RITA VERMA : Will the Minister of COAL be pleased to state:

(a) the details of Railway siding in Bharat Coking Coal Limited with weighbridges on it,

(b) the number of electronic weighbridges out of it alongwith the number of such electronic weighbridges which are in working condition;

(c) whether the Government are aware that coal is being sold from these bridges without weighing; and

(d) if so, the steps taken by the Government to check it and punish the guilty persons ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Coal India Ltd. have reported that no siding in Bharat Coking Coal Ltd., (BCCL) has any Railway weighbridge. Most of the wagons are being weighed in the Railway yard which cater to the needs of different sidings under the command area of that yard. However, BCCL have installed 23 weighbridges either in Railway yards or in different sidings. Out of this, 22 weighbridges are electronic. All of these weighbridges are presently reported to be operational.

(c) Except when there is breakdown of weighbridges all the coal rakes passing through the weighbridges in BCCL are weighed before despatch.

(d) Does not arise in view of the reply to part (c) above

Special Courts

59. SHRIMATI BHAVNABEN DEVRAJBHAI CHIKHALIA :
SHRI SHIVRAJ SINGH :
SHRIMATI SHEELA GAUTAM :

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government propose to set up special courts for early disposal of corruption cases in the country,

(b) if so, the details thereof; and

(c) the time by which such courts are likely to be set up?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) Under Section 3 of the Prevention of Corruption Act, 1988 the Central Government or the State

Government may by Notification appoint as many Special Judges as necessary for trying offences punishable under that Act. So far, 18 Special Judges Courts have been set up in 9 States and the National Capital Territory of Delhi.

Restrictions imposed by United States against Import of Indian Woollens items

60. SHRI MADHAVRAO SCINDIA : Will the Minister of COMMERCE be pleased to state:

(a) whether India has been successful in obtaining WTO - disapproval of the restrictions imposed by the United States against import of Indian Woollens items; and

(b) if so, the details of restrictions imposed and the loss to exports of Indian woollen items so far caused thereby and what was the stand taken by the Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) The Government of the United States of America had issued a request of consultation with India under the transitional safeguard mechanism in Article 6 of the Agreement on Textiles and Clothing (ATC) on 18 April 1995 in respect of 3 categories of textiles and clothing products. The consultations did not result in a mutual settlement of the matter, and on 14 July 1995, India was informed by the US authorities that restraint levels would be applied on imports from India of the products covered by the 3 categories, effective from 18 April 1995 and extending through 17 April 1996. For the first 12 month period, the level of the restraints was set at 45,750 dozen pieces of Men's and boys' coats of wool (category 4324), at 37,487 dozen pieces of women's and girls' coats of wool (Category 435), and at 76,698 dozen pieces of woven shirts and blouses of wool (Category 440).

The restraint on Category 434 was voluntarily removed by USA after the Textiles Monitoring Body (TMB) gave its finding that it was not justified. The restraint on Category 435 was voluntarily removed by USA in April 1996 when the matter was raised under the dispute settlement procedures of the World Trade Organisation (WTO) by India.

In respect of the restraint on Category 440, a WTO dispute settlement panel, set up at the request of India to examine the consistency of the restraint level imposed unilaterally by USA with USA's obligations under the WTO agreements, has concluded that the US restraint on imports of woven wool shirts and blouses from India violated the provisions of the ATC and that this US measure nullified and impaired the benefits of India under the WTO Agreement, in particular under the ATC. The panel has recommended that the Dispute Settlement Body (DSB) make such a ruling. A meeting of the DSB to consider this recommendation has as yet not been held. In the interregnum, USA voluntarily removed the restraint with effect from 4 December 1996. It is difficult to quantify the direct and indirect loss caused to our woollen exports on account of the restraints imposed by USA.

Foreign Loan

61. SHRI LALIT ORAON : Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank and IMF have expressed concern over the non-reduction of India's Financial deficit and for not fully utilising the sanctioned loans;

(b) whether due to tardy implementation of development projects, the country has not been given a loan of 940 million dollars; and

(c) if so, the steps being taken by the Government to ward off such a situation ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) In a meeting of Board of Directors of the IMF, it was stressed that India should "tackle decisively" the too large fiscal deficit and it was also suggested that firm steps should be taken to avoid any fiscal slippages.

The World Bank's Country Economic Memorandum (CEM) 1996 pointed out that a challenging agenda of structural reforms such as reducing fiscal deficit, accelerated human resource development, reform of agricultural policies, priority action for improving urban services and improvements in the infrastructure sectors need to be addressed to sustain the current growth rates.

On utilisation of loans, the CEM has mentioned that "over the last few years, the Government has taken several specific measures to improve the utilisation of ODA. While these measures have accelerated aid disbursements, there remains scope for further improvements."

(b) No Sir. There was no such loan proposal.

(c) Does not arise.

Bombay Stock Exchange

62. SHRI UTTAMSINGH PAWAR : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any proposal from the Bombay Stock Exchange for its expansion both on national and international market;

(b) if so, the details thereof; and

(c) the reaction of the Union Government in regard thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Securities and Exchange Board of India (SEBI) had some time back received proposal from the Stock Exchange, Mumbai seeking permission for expansion of its On Line Trading terminals to locations outside Mumbai on a national level. The objectives of the proposal were, *inter alia*, to increase the volume of trading in securities, to provide a more direct and transparent access to investors outside Mumbai to the online trading facility of the Exchange and to bring down the cost of transactions in securities.

(c) The Board of SEBI in its meeting held on 29th October, 1996 took a decision to permit the Stock Exchange, Mumbai and other Exchanges to expand their online screen, based trading terminals to areas outside the place where the concerned Exchange is located, subject to certain conditions. This decision was conveyed to all the Stock Exchanges by SEBI *vide* a letter dated 30th December, 1996.

*[Translation]***Shareholders Complaints against Companies**

63. SHRI RAM KRIPAL YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that no action has been taken against the complaints so far even after conducting the enquiry into the complaints received in regard to safeguarding the interest of the shareholders;

(b) if so, the reasons therefor and the name of such companies against which action has been taken and the nature of action; and

(c) the steps taken by the Government in view of part (a) above ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The Department of Company Affairs has an Investors Protection Cell which primarily deals with complaints relating to non-refund to application money, non-receipt of shares after allotment/transfer, non-receipt of dividend warrants etc. All such complaints are acknowledged and taken up with the concerned companies for prompt redressal through a fully computerised system. In addition, the Registrars of Companies (ROCs) also receive similar complaints in respect of which appropriate action is taken from time to time.

The cell has directed ROCs to initiate penal action against sixteen erring companies under Section 73 (Allotment or Shares & Debentures) & 113 (Time Limit for Issue of Certificates) of the Companies Act, 1956, during the financial year 1995-96. The names of these companies are given in the attached Statement.

Statement

1. M/s. Modi Threads Ltd.
2. M/s. Nova Udyog Ltd.
3. M/s. Vermani Steel Strips Ltd.
4. M/s. Noida Medicare Centre Ltd.
5. M/s. Svam Software Ltd.
6. M/s. Indo Japan Photo Film Co. Ltd.
7. M/s. Celeste International Ltd.
8. M/s. Pratap Steel & Rolling Mills (1935) Ltd.
9. M/s. Arihani Cotsyn Ltd.
10. M/s. Hindustan Tools & Forgings Ltd.
11. M/s. Uvifort Metallizers Ltd.
12. M/s. Ambik Proteins Ltd.
13. M/s. Gujarat Perstrop Electronics Ltd.
14. M/s. Gujarat Raffia Industries Ltd.
15. M/s. Bhawna Steel Cast Ltd.
16. M/s. Do-Max Steel Ltd.

*[English]***Modernisation of Currency Note Press, Nasik**

64. SHRI V. PRADEEP DEV : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal for modernisation of Currency Note Press, Nasik;

(b) if so, the details thereof; and

(c) the time by which the process of modernisation including provision of installation of new machinery is likely to be completed ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) and (c). The approved cost estimate is Rs. 372.32 crores (including FE component of Rs. 340.68 crores on account of import of machinery and equipments). The commissioning of these machines will be completed by December, 1998 and regular production would start by March, 1999. After completion of the modernisation project, the existing production of Currency Note Press, Nasik, will increase from 3850 million pieces to 5400 million pieces per annum (in 11 hours of two shifts working).

Investment in PSUs

65. SHRI N.K. PREMCHANDRAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government are aware that the Central investments in public sector units of Kerala have been steeply declining in recent years; and

(b) if so, the steps proposed to be taken by the Government to increase the central investment in the existing Public Sector Units ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) There has been no decline in Central investments in public sector undertakings in the State of Kerala as a whole in the recent years.

(b) Does not arise.

Income Tax Law

66. DR. LAXMINARAYAN PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have formulated any scheme to widen the scope of Income tax law;

(b) if so, the details of the same; and

(c) the time by which the said scheme is likely to be made effective ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) It may not be possible to state anything at present since the Finance Bill, 1997 is to be presented soon.

(b) and (c) Do not arise in view of answer to (a) above.

[Translation]

Tax Collection

67. SHRI T. GOPAL KRISHNA : Will the Minister of FINANCE be pleased to state :

(a) the total tax collections with broad break-up during the fiscal year 1995-96;

(b) the projected percentage rise in tax collections during 1996-97;

(c) whether the collections have been satisfactory so far and the target is likely to be achieved; and

(d) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Collections from Major Central taxes during 1995-96 and estimated increase in the Budget Estimate (B.E.) for 1996-97 are as under :

(Rs. in crores)

Name of Tax	Collections during 1995-1996	Estimated increase in the B.E. for 1996-97
1. Customs	35,500.00	25.16%
2. Central excise	40,784.81	14.24%
3. Corporation tax	16,487.00	18.90%
4. Income tax	15,587.00	14.50%

(c) and (d) The Revised Estimates (RE) for 1996-97 are under preparation and will be firmed up only in the Budget.

Loans given by Public Sector Banks

68. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) the State-wise amount of loans given by the public sector banks during the last three years; and

(b) the details of the amount recovered out of it as on date ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) State/Union Territory-wise outstanding bank credit of all scheduled commercial banks as on the last Friday of March 1994, 1995 and 1996 is given in the attached Statement.

(b) The details of category-wise overdue advances and the percentage of such overdue to corresponding outstanding advances of public sector banks as at the end of September 1994, the latest available with the Reserve Bank of India, are given below :

Category	Overdue Advances (Rs. in lakh)	Percentage of Overdues to Outstanding Advances
Large and Medium Industries	815312	15.76
Small Scale Industries	541985	24.46
Agriculture	532123	24.95
Other Priority Sector	397766	36.05
All Others	580581	13.52
Total	2867767	19.22

Statement

(Rs. in Lakh)

S.No.	State/Union Territory	March 1994	March 1995	March 1996
1	2	3	4	5
1.	Andhra Pradesh	1185370	1511498	1746052
2.	Arunachal Pradesh	2960	3646	3723
3.	Assam	131103	149487	172613
4.	Bihar	453450	501233	5731594
5.	Goa	59759	72672	84192
6.	Gujarat	886792	1093807	1339306
7.	Haryana	299086	339929	410782
8.	Himachal Pradesh	62456	70578	81004
9.	Jammu & Kashmir	124504	149366	145012

1	2	3	4	5
10.	Karnataka	1072811	1333004	1620536
11.	Kerala	641287	765885	898457
12.	Madhya Pradesh	614229	710541	893428
13.	Maharashtra	4370491	5634735	6751864
14.	Manipur	9097	9865	12406
15.	Meghalaya	8395	10302	10503
16.	Mizoram	2411	2765	3385
17.	Nagaland	9762	10567	10348
18.	National Capital Territory of Delhi	2298972	2913129	3174467
19.	Orissa	243618	282066	329182
20.	Punjab	624476	730085	840690
21.	Rajasthan	424671	477205	560187
22.	Sikkim	2798	3591	3968
23.	Tamil Nadu	1839312	2293494	2940978
24.	Tripura	19719	22383	24461
25.	Uttar Pradesh	1103307	1233193	1419491
26.	West Bengal	1296136	1524871	1735155
27.	Andaman & Nicobar Island	1769	2132	2520
28.	Chandigarh	188587	369477	520455
29.	Dadra & Nagar Haveli	787	929	1240
30.	Daman & Diu	1636	1967	3925
31.	Lakshadweep	143	200	237
32.	Pondicherry	21750	26053	30574
	All India	18001659	22250656	26353322

*[English]***Production of Silk Yarn**

69. SHRI P. THEERTHARAMAN : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government propose to introduce modern technologies for producing silk yarn and silk sarees;

(b) if so, the details thereof;

(c) whether the Government propose to borrow foreign assistance in this regard; and

(d) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :
(a) to (d) The Central Silk Board has been implementing schemes for promotion of technologies for the production of raw silk and for the development of the silk industry.

Trading of Gold

70. SHRI SULTAN SALAHUDDIN OWAISI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have cleared the proposal or introduction of forward trading of gold;

(b) if so, whether a separate body on the lines of Gold Management Board is likely to be set up;

(c) if so, composition of the Body; and

(d) the main functions of the new body ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) to (d) Do not arise.

*[Translation]***Inclusion of Foreigners in Voter List**

71. SHRI RAMESHWAR PATIDAR : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government have taken any steps on the complaint received from the State Governments regarding inclusion of the names of foreigners in the voter list;

- (b) if so, the details thereof; and
- (c) if not, the reasons for the delay ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) Article 324 of the Constitution vests the superintendence, direction and control of the preparation of the electoral rolls in the Election Commission and accordingly any complaint with regard to inclusion of names of foreigners in the voters list is required to be made to the Election Commission and to the electoral registration authorities and not the Government. As such, if any complaint is received by the Government with regard to electoral rolls, the same is forwarded to the Election Commission for necessary action.

Munsif Court at Shahbad, U.P.

72. SHRI ILIYAS AZMI : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether the Allahabad High Court had ordered to set up Munsif Court Shahbad in district Hardoi of Uttar Pradesh;
- (b) if so, the reasons for not implementing this order; and
- (c) the time by which this Munsif Court is likely to be set up ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) The information is being collected and will be laid on the Table of the House

[English]

Pension Scheme for GIC Employees

73. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of FINANCE be pleased to state :

- (a) whether the General Insurance Corporation of India has introduced a pension scheme for its employees;
- (b) if so, the details thereof and the date of its introduction; and
- (c) the categories of employees covered under this scheme ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) and (c) The Scheme was introduced to all categories of the employees of GIC with effect from 1.11.1993 with an option to those retiring between 1.1.1986 to 1.11.1993 to join the Scheme after returning the benefits paid with interest. The details are contained in the GIC (Employees) Pension Scheme, 1995 which was laid on the Table of the House on 8.12.1995.

Floriculture Project in U.P.

74. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of COMMERCE be pleased to state :

- (a) whether the Government have any proposal to set up a floriculture project at Agra in Uttar Pradesh;
- (b) if so, the details thereof;
- (c) whether the Government propose to identify an overseas consultant for working out the detailed project report in this regard; and
- (d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No, Sir.

(b) to (d) Do not arise.

Prevention of Corruption Act, 1988

75. SHRI RAMESH CHENNITHALA : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether the Government propose to amend the Prevention of Corruption Act, 1988 in view of some ambiguities in it; and
- (b) if so, the details thereof alongwith the nature of such ambiguities ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) No, Sir.

(b) Does not arise.

Nominee Directors of Financial Institutions

76. SHRI RUPCHAND PAL : Will the Minister of FINANCE be pleased to state :

- (a) whether the attention of the Government has been drawn to the lapses of the Financial Institutions nominee directors in their functioning on Boards; and
- (b) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) It is not the Government but Financial Institutions (FIs) which appoint nominee directors on the boards of assisted companies. FIs themselves review the performance of their nominee directors and also take appropriate action wherever necessary.

External Commercial Borrowings

77. SHRI S.D.N.R. WADIYAR : Will the Minister of FINANCE be pleased to state :

- (a) the amount of external commercial borrowings released to the Karnataka State during 1996-97;

(b) whether the Union Government have permitted the Karnataka Government to borrow loans from abroad directly;

(c) if so, the details thereof; and

(d) if not, whether the Government propose to amend the Constitution to facilitate States to borrow loans from abroad directly ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) As per the Constitution of India, the executive power of the State extends to borrowing within the territory of India only. The State Government cannot raise loans abroad directly. However, State Government Undertakings can raise loans abroad subject to the Government of India's guidelines for External Commercial Borrowings.

(d) No, Sir.

Amendment in Notaries Act, 1952

78. SHRI K.C. KONDAIAH: Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Union Government have received any request from the Government of Karnataka for making some amendments in the Notaries Act, 1952;

(b) if so, the details thereof; and

(c) the reaction of the Union Government thereon ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) No, Sir.

(b) and (b) Do not arise

Shortage of Coal

79. DR. T. SUBBARAMI REDDY : Will the Minister of COAL be pleased to state :

(a) whether the coal linkage committee had allocated 32,000 to 40,000 tonnes of coal per day to NTPC plant at Ramagundam in Andhra Pradesh but the same quantity of coal is not being received in the plant;

(b) if so, the main reasons for short supply of coal; and

(c) the steps the Government propose to take to improve the coal supplies to the aforesaid plant ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) As against a linkage of 75.75 lakh tonnes sanctioned to Ramagundam STPS during the period April, 1996 to January, 1997, actual despatches of coal have been 78.75 lakh tonnes during this period. The percentage materialisation is 104%.

(c) In order to augment the supplies, Ramagundam STPS has been advised to step up their lifting of coal by road from a nearby mine of Singareni Collieries Company Limited. Further an additional linkage of 50,000 tonnes had

also been provided for movement from Western Coalfields Limited for the current quarter.

[Translation]

Cotton Handloom Industry

80. SHRI BUDHSEN PATEL : Will the Minister of TEXTILES be pleased to state :

(a) whether there are ample possibilities of development of Cotton Handloom Industry in Madhya Pradesh; and

(b) if so, the assistance proposed to be given by the Union Government to ascertain the possibilities in this regard and promote the handloom industry in the State ?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA) :

(a) Yes, Sir.

(b) Central Government's assistance to all the State Governments/Union Territories including Madhya Pradesh is released on the basis of the proposals submitted by the respective State Government/Union Territories under various on-going programmes implemented for the promotion of the Handloom Industry. A sum of Rs. 182.35 lakh has already been released during this financial year (1996-97) to Government of Madhya Pradesh under Market Development Assistance Scheme, Janata Cloth Scheme, Project Package Scheme, Integrated Handloom Village Development Scheme, Loan for Handloom Projects etc.

[English]

Trading of Gold

81. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether the World Gold Council, to stimulate gold consumption in India, has suggested trading of gold by commercial banks; and

(b) if so, the reaction of the Government thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) No such proposal is under consideration by the Ministry of Finance.

Textiles Industries in Tamil Nadu

82. SHRI A.G.S. RAMBABU : Will the Minister of TEXTILES be pleased to state :

(a) the details of Textile Industries located in Tamil Nadu alongwith the items produced by these textile industries;

(b) whether there is any plan to extend assistance to textile mills in the State to increase the production and export of textiles; and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI. R.L. JALAPPA):

(a) The details of the textile industries located in Tamil Nadu are furnished below :

S. No.	Type of the mill/sector	No. of Units	Installed capacity (As on 31.12.96)		
			Spindles (000 No.)	Rotors (000 No.)	Looms
(i)	Cotton/man-made fibre textile mills (Non-SSI)	725	10,900.7	75.6	6366
(ii)	Cotton/man-made fibre textile mills (SSI)	597	1,190*	6.2	—
(iii)	Weaving Units (Non-SSI)	14	—	—	932
(iv)	Woollen units	1	680	—	—
(v)	Handlooms	—	—	—	4,29,000**
(vi)	Powerlooms	57101	—	—	2,36,038***
(vii)	Man-made fibre manufacturing plants	2	58,950 (Tonnes per annum)		
(viii)	Man-made filament yarn manufacturing units	2	15,675 (Tonnes per annum)		

* Estimated.

** According to the handloom census of 1987-88.

*** As on 30.6.96.

The items manufactured by the textile industry in Tamil Nadu include yarn and cloth of cotton, man-made fibres and blended textiles, man-made fibres (polyester and viscose) and viscose filament yarns & polyester filament yarns, fabric and garments.

(b) and (c) The Govt. of India has taken several steps to increase the production of textiles in the country in the past, which are also applicable to Tamil Nadu. These include

- 1 Removal of restrictions on the creation and expansion of capacity, subject only to locational guidelines.
- 2 Doing away with the requirement of licensing, except in the case of 100% export oriented units and units set up within 25 kms. from the limits of a city of more than one million population as per the 1991 census if it is not situated in an area declared by the state government as industrial areas before 24.7.91, units involving foreign collaboration, units producing items reserved for the SSI but where in-

vestments exceed SSI ceiling etc.

- 3 Permitting import of textile machinery under the OGL and the reduction of import duty on such machinery imports.
- 4 Measures to ensure availability of raw materials to the industry, through policy intervention, whenever necessary.

Relief Schemes

83 SHRI PRABIN CHANDRA SARMA : Will the Minister of FINANCE be pleased to state the total amount given to each State under agricultural and rural debt relief scheme ?

THE MINISTER OF FINANCE (SHRI P CHIDAMBARAM) : Presumably, the Hon'ble Member is referring to the relief granted to eligible beneficiaries under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990. The State-wise details are given in the attached Statement.

Statement

State/Union Territory-wise amount of relief provided by commercial banks, RRBs & Cooperatives under ARDR Scheme

(Rs. in crores)

S. No.	State/Union Territory	Commercial Banks	Regional Rural Banks	Cooperative Banks	Total
1	2	3	4	5	6
1	Andaman & Nicobar Island	0.85	—	0.09	0.94
2	Andhra Pradesh	415.62	100.15	334.43	850.20
3	Arunachal Pradesh	0.63	0.22	1.30	2.15
4	Assam	71.53	24.16	34.43	130.12
5	Bihar	207.14	95.53	521.62	824.29
6	Chandigarh	0.69	—	0.31	1.00

1	2	3	4	5	6
7.	Dadra & Nagar Haveli	0.13	—	—	0.13
8.	Daman & Diu	0.10	—	—	0.10
9.	Goa	2.84	—	1.29	4.13
10.	Gujarat	136.84	7.72	334.08	478.64
11.	Haryana	80.60	18.14	126.08	224.82
12.	Himachal Pradesh	20.92	3.44	30.32	54.68
13.	Jammu & Kashmir	4.26	5.07	31.45	40.78
14.	Karnataka	283.14	70.30	126.21	479.65
15.	Kerala	84.19	9.44	75.65	169.28
16.	Lakshadweep	0.03	—	—	0.03
17.	Madhya Pradesh	159.28	38.08	229.22	426.58
18.	Maharashtra	252.62	17.06	464.50	734.18
19.	Manipur	60.08	0.47	7.64	14.19
20.	Meghalaya	6.40	0.47	9.81	16.68
21.	Mizoram	0.96	1.46	0.09	2.51
22.	Nagaland	6.94	0.30	3.82	11.06
23.	National Capital Territory of Delhi	4.80	—	0.10	4.90
24.	Orissa	123.01	68.64	150.76	342.41
25.	Pondicherry	8.25	—	1.80	10.05
26.	Punjab	72.96	1.04	108.79	182.79
27.	Rajasthan	153.00	74.33	311.45	538.78
28.	Sikkim	2.68	—	—	2.68
29.	Tamil Nadu	217.20	11.56	272.15	500.91
30.	Tripura	12.91	13.14	12.41	38.46
31.	Uttar Pradesh	283.91	100.13	638.01	1022.05
32.	West Bengal	212.51	58.98	133.73	405.22
Total		2833.02	719.83	3961.54	7514.39

Import of Cashew

84. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state

(a) whether the Government are aware that the State of Kerala is importing raw cashew for its cashew processing units;

(b) whether such import is being made through the State Trading Corporation or any other agency;

(c) if so, the details thereof;

(d) the country from which cashew is being imported; and

(e) the total quantity of cashew imported during 1996-97?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) Yes, Sir. The Kerala State Cashew Development Corporation Limited, a Government of Kerala undertaking, is importing raw cashew for its cashew processing units.

(b) and (c) The imports are being made by the Kerala State Cashew Development Corporation Limited directly by inviting global tenders in accordance with the instructions issued by the Government of Kerala in this regard.

(d) The raw cashewnuts are being mainly imported from the African countries.

(e) During 1996-97, the Kerala State Cashew Development Corporation imported 4430.067 metric tonnes of Cashewnuts.

Joint-Ventures between India and UK

85. SHRIMATI VASUNDHARA RAJE : Will the Minister of COMMERCE be pleased to state :

- (a) whether some Indo-UK joint-ventures have been signed during this year;
- (b) if so, the details of those joint-ventures; and
- (c) the terms and conditions of these joint-ventures ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) Some joint ventures and agreements between private companies from UK and India were signed during the visit to India of the British Prime Minister and the President of the Board of Trade, UK in January 1997. The joint ventures and agreements between Indian and UK firms included the sectors of insurance, telecommunications, software, engineering goods, marketing of real estate development etc. Terms and conditions for setting up of joint ventures are as per policy guidelines.

Coal Mining Blocks

86. SHRI RAM NAIK : Will the Minister of COAL be pleased to state :

- (a) whether Government have identified mining blocks for allowing private coal mining;
- (b) if so, the number of such mining blocks;
- (c) the number of blocks allocated to private parties for mining so far;
- (d) the number of proposals for allocation of coal mining block received from the private parties are pending as on date; and
- (e) the efforts made to ensure that all identified blocks are allocated to the interested private parties ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Yes Sir, so far 69 number of mining blocks have been identified for captive mining.

(c) 28 blocks have been allocated to private parties for mining so far.

(d) and (e) The number of proposals for allocation of coal mining blocks received from the private parties pending with Government is 29. Meetings of Screening Committee are held periodically and all the applications received are considered carefully in consultation with other Ministries to ensure that interested and eligible private parties get the identified blocks.

Captive Coal Mines

87. SHRI SUSHIL CHANDRA : Will the Minister of COAL be pleased to state :

(a) the number of captive coal mines in the country and the number of coal mines underground and opencast out of it, separately;

(b) the production capacity of these mines, mine-wise; and

(c) the industries/companies to whom these coal mines have been allotted ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c) Out of 28 mining blocks offered for captive mining, mining plan for 4 parties have been approved by the Standing Committee under MMRD Act 1957. The details of industries, type of mining and projected production capacities in respect of above mentioned 4 cases are given below :

Name of Industries	Name of the blocks	Annual Projected Production Capacity & Type (Provisional)
1. M/s. Bengal Emta a joint venture company with M/s. WBSEB and WBPD Corpn. Ltd	1. Tara (East & West)	3 mt OC & UG
2. M/s. RPG Industries/ CESC	2. Sarisatolli	3.5 mt OC
3. M/s. Nippon Denro	3. Baranj	4.0 mt. OC
4. M/s. Associated Cement	4. Lohara (East)	0.80 mt UG

mt = million tonnes

OC = Open Cast

UG- Underground

India's Share in World Trade

88. SHRI MUKHTAR ANIS : Will the Minister of COMMERCE be pleased to state :

(a) whether the World Trade Organisation has published statistics of world trade recently;

(b) if so, the ranking of India as exporters, as importer and as trader of goods and its share in comparison of the world trade during each of the last two years;

(c) the corresponding figures in respect of trade in services;

(d) the percentage charge as compared to the previous year in India's performance in terms of value in view of parts (b) and (c) above; and

(e) the action proposed to be taken to improve its position during the Ninth Five Year Plan ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c)

As per information contained in the publication of WTO the country's position is given below :

EXPORTS

(i) Merchandise Trade

	1995	1994
Rank	31	32
Share %	0.61	0.60

Services

Rank	N.A.	31
Share %	N.A.	0.63

IMPORTS

(ii) Merchandise Trade

Rank	28	29
Share %	0.67	0.62

Services

Rank	N.A.	31
Share %	N.A.	0.73

(d) India's exports (merchandise trade) during 1995 are placed at US \$ 30.5 billion representing 21.5% growth over the level of US \$ 25.1 bn. during 1994. India's imports (merchandise trade) during 1995 are placed at US \$ 34.4 bn representing a growth of 28.4% over the imports of US \$ 26.8 bn. in 1994.

(e) Export performance is influenced *inter alia* by international market conditions, infrastructure and trade policy framework etc. The Exim Policy for 1997-2002 would provide for increased export friendly environment during the Ninth Five Year Plan.

National Development Council

89. SHRI MAHENDRA SINGH BHATI : Will the Minister of FINANCE be pleased to state :

(a) whether the State Governments in the 47th meeting of the National Development Council had demanded a larger share of funds than what was recommended by the Tenth Finance Commission;

(b) if so, the details in this regard; and

(c) the reactions of the Union Government/Reserve Bank of India in regard thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) In the 47th meeting of the National Development Council Maharashtra, Madhya Pradesh, Orissa and Rajasthan have conveyed that the Tenth Finance Commission's award reduced the share of their State in the total transfer recommended. Karnataka and Tamil Nadu wanted Tenth Finance Commission's Alternative Scheme of Devolution to be implemented. Kerala wanted a share of Corporation Tax revenue. Similarly Himachal Pradesh also wanted corporation tax to be merged into the shareable pool of taxes. Tripura wanted additional central assistance to be provided for assisting rural and urban local bodies.

(c) The total devolution of States as per the Award of the Tenth Finance Commission for the period 1995-2000 has already been accepted by the Government and is being implemented. There is no proposal under consideration of the Government to give additional non-plan grants to the States in addition to what has already been recommended by the Tenth Finance Commission or to vary the *inter-se* shares among States.

NRI Investment

90. SHRI BANWARI LAL PUROHIT :
SHRI PRADIP BHATTACHARYA :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "NRI investment – a new hawala channel" appearing in the *Hindustan Times*, dated January 31, 1997;

(b) if so, the facts and details thereof;

(c) whether the Government propose to screen investments made by NRIs in Indian companies; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) During January, 1997, the Enforcement Directorate (ED) searched premises connected with M/s Kay Quinone Organics India Ltd., at Bombay & Hyderabad. Incriminating documents were seized as a result of the searches. Investigations, so far have revealed that during the year 1995, the said company arranged inward remittance of US \$ 3.25 lakhs from Dubai in the guise of equity participation from its foreign principals after making payments to the tune of Rs. 1.25 crores through Hawala channels.

(c) and (d) Proposals for investment by NRIs are scrutinised and cleared by Reserve Bank of India (RBI) under automatic approval mechanism or by the Foreign Investment Promotion Board, depending on the areas/sectors in which investments are proposed to be made. The actual inflows are permitted after approval by RBI under the Foreign Exchange Regulation Act.

Deficit Financing

91. SHRI YELLAIAH NANDI : Will the Minister of FINANCE be pleased to state :

(a) whether the Finance Minister in his budget had stated that Government will curtail the deficit financing;

(b) if so, whether the proposed estimate of reducing the deficit financing has not been achieved during the whole year;

(c) if so, the main reasons for failure in tackling the deficit financing;

(d) whether the deficit has increased rather than reduced; and

(e) if so, the main reasons therefor and the steps the Government propose to take to achieve the aim of deficit financing ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e) Government resorts to additional borrowing for meeting the gap between the total expenditure and its non-debt receipts. This component represents the fiscal deficit. The fiscal deficit for 1996-97 (BE) has been kept at Rs. 62266 crore which works out to 5% of GDP. The F.M. in his budget speech for 1996-97 had indicated that he hoped to do better in the next budget and move along the path of reducing the fiscal deficit to below 4% ever a period of time.

The variations, if any in the current financial year will be indicated in the forthcoming budget.

RBI Guidelines for Stopping Securities Scam

92. SHRI B. L. SHANKAR : Will the Minister of FINANCE be pleased to state :

(a) the details of the guidelines/instructions issued by the RBI/Union Government to all scheduled and nationalised banks to prevent the recurrence of the securities scam type cases during the last three years;

(b) the number of cases of bank scams took place involving more than Rs. 10 lakhs and above after the issuance of the above guidelines during the last three years ending on 31 March, 1996, year-wise;

(c) the amount involved in these cases; and

(d) the action taken against the guilty persons in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) For prevention of frauds and irregularities in public sector banks, steps have been taken for strengthening the internal control and audit systems. Board level Management Committees and Audit Committees have been set up. Public sector banks have also been advised by the RBI to appoint concurrent auditors at their large and extra large branches with a view to detect non-adherence to laid-down procedures and prevent irregularities and frauds, if any, without loss of time. All public sector banks have vigilance machinery which is responsible for preventive and detective steps so as to prevent frauds.

RBI constantly reviews the working of internal inspection and vigilance machinery of banks. RBI has also issued comprehensive guidelines for strengthening the control mechanism in banks. It also carries out a review of fraud cases on a continual basis advising the banks of *modus operandi* in ingenious cases along with required safeguards to prevent their recurrence, proper training of operational personnel and investigations and scrutiny into reported cases of major frauds. RBI also conducts snap inspections of systems and procedures and control arrangements in fraud

prone areas. In addition to on-site inspections which are conducted at prescribed intervals, RBI have put in place the mechanism of off-site monitoring system to enable improved supervision. In order to exercise integrated supervision over the financial system, the Board for Financial Supervision (BFS) with its Advisory Council was constituted in 1994.

(b) to (d) The information readily available relating to total number of frauds detected in public sector banks, amount involved and action taken against the delinquent employees for frauds during 1993, 1994 1995 & 1996 (upto March) is given below :

	1993	1994	1995	1996 (upto March)
1. No. of frauds	2213	2266	1890	454
2. Amount involved (Rs. in crores)	320.32	200.08	115.51	23.73
		+ Uganda Sh.	9844000	
3. No. of employees convicted	57	50	33	05
4. No. of employees awarded major/ minor penalties	874	1248	1160	307
5. No. of employees dismissed/dis- charged/removed	312	360	301	78

[Translation]

Loan By LIC

93. SHRI VISHVESHVAR BHAGAT : Will the Minister of FINANCE be pleased to state :

(a) whether the loan amount provided by Life Insurance Corporation for various districts for water supply and sewerage disposal schemes is even below 50 per cent of the sanctioned cost due to the process adopted therefore;

(b) whether the LIC does not provide any loan to meet the increased cost of the said schemes;

(c) if so, whether the LIC will provide 70 percent amount of the sanctioned cost as loan in the cities having population of more than 20,000 for the water supply and sewerage disposal schemes; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) LIC adopts graded pattern of financing water supply and sewerage schemes depending upon the cost of the schemes. For the schemes costing upto Rs. 5 crores, LIC provides funds to the extent of 50% to 60% of the cost and, for schemes costing more than Rs. 5 crores, the LIC loan component will be reduced on graded basis and is below 50%. This pattern is adopted with a view to funding a large number of schemes.

(b) LIC's policy is to consider financing overrun only

upto 25% of the difference between the original and revised estimated cost. Such assistance is extended only once for any on-going project subject to the following conditions :

- (i) The State Government should undertake to provide/arrange necessary funds for meeting the balance over-run in the cost.
- (ii) the revised estimated cost is administratively approved by the State Government

(c) and (d) the quantum of LIC loan for water supply and sewerage disposal schemes in cities having population more than 20,000 will depend upon the pattern of financing indicated above. The maximum loan admissible for Schemes costing upto Rs. 1.00 crore is 67% (in Urban areas) and 50% (in Rural areas) and for over Rs. 1.00 Crore, LIC loan will be on a reducing scale.

[English]

Economic Reforms

94. SHRI SONTOSH MOHAN DEV :
SHRI KACHARU BHAU RAUT :
SHRI R. SAMBASIVA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether he has recently stated that there was no economic reforms in the offing;

(b) if so, whether the Prime Minister pointed out that a package of economic measures will be announced before 30th January, 1997;

(c) if so, whether the latest statement made by him has created great resentment amongst the industry and in the market; and

(d) if so, the measures Government proposes to take to improve the economic reforms ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir

(b) On 31st December, 1996 the Prime Minister met with a cross section of industrialists and economists to exchange views on the economy. The Finance Minister, the Industry Minister, the Commerce Minister and the Deputy Chairman, Planning Commission were present. At that meeting the Prime Minister indicated that Government would expedite decisions on long-standing policy issues and announce suitable policy measures in the month of January, 1997.

(c) Does not arise.

(d) Several policy measures have been recently announced by the Government in the area of foreign investment and development of infrastructure. These include expanding the list of industries eligible for automatic approval of foreign equity upto 51 per cent, announcement of 9 groups of industries for automatic approval of foreign equity upto 74 per cent, and announcing the first ever guidelines for consideration of foreign direct investment proposals by the

Foreign Investment Promotion Board, which are not covered under the automatic route. Foreign Institutional Investors (FIIs) have been allowed to invest in corporate and debt funds, and the guidelines for the External Commercial Borrowings have been further liberalised.

Other policy measures include delicensing of consumer electronics, enhancement of investment ceilings for the small scale industries, deregulation of prices and distribution of D Grade of non-coking coal, hard coke and soft coke, allowing telecom projects to avail of tax holiday and concessional import duty, announcement of liberalised guidelines for private participation in ports and highways and announcing of Common Minimum Action Plan for Power.

Magisterial Powers to Income Tax Officers

95. SHRI BRIJ BHUSHAN TIWARI :
KUNWAR SARVARAJ SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Income Tax department have sought Magisterial power for Income Tax Officers to enable them to take suitable action during raids of Income Tax cases;

(b) if so, the action taken thereon;

(c) whether the Government propose to provide service revolver to Income Tax Officers for self defence; and

(d) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) The matter was examined in consultation with Ministry of Home Affairs/Law who opined that the Magisterial Powers can not be conferred on the Income-tax Officials in view of the Constitutional constraint that 'Law and Order' is a State subject

(c) and (d) No such proposal is being considered at present

[Translation]

Seizure of Goods

96. DR. BALIRAM : Will the Minister of FINANCE be pleased to state :

(a) the details of the goods seized by the Customs and Central Excise in Metropolitan cities and also at international airports during the last three months;

(b) the value of the goods seized;

(c) the number of persons arrested in this regard; and

(d) the manner in which the Government dispose of the seized goods ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) During the three month period of November 1996 to January, 1997 contraband such as

gold, precious stones, electronic goods, Indian & Foreign currency, synthetic fabrics & other misc. goods valued at Rs. 4800.57 lakhs were seized by the field formations of Customs & Central Excise in metropolitan cities and at International Airports. 135 persons were arrested in this regard.

(d) Seized goods are disposed on becoming pipe for disposal. Consumer goods are disposed of by retail sale at customs counters or through NCCF and consumer co-operative societies. Bulk or trade goods are either auctioned or sold through tender, while hazardous or dangerous goods and Narcotics are destroyed as per instructions issued by the Government. Gold and silver are being sold through retail counters in the four major Custom Houses i.e. Mumbai, Calcutta, Delhi and Chennai.

[English]

Portraits of Patriots

97. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the details of competent authorities to select the portraits of patriots to be displayed in Courts as well as in the Government offices; and

(b) the details regarding the procedure followed in this regard ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) and (b) The information is being collected and will be laid on the Table of the House.

[Translation]

Economy Liberalization

98. SHRI SOHAN BEER :
KUMARI UMA BHARATI :
SHRIMATI KETAKI DEVI SINGH :
PROF. OMPAL SINGH NIDAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the pace of liberalization and economic reforms is very slow;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to accelerate the pace of economic reforms and to ensure that all sections of the society are benefited the reform ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Since June 1, 1996 several measures have been taken by the Government in the areas of foreign investment and infrastructure development. The Foreign Investment Promotion Council (FIPC) has been set up, the Foreign Investment Promotion Board (FIPB) has been streamlined and made more transparent and the first every guidelines for direct foreign investment have been announced

in the areas which are not covered under the automatic route. The list of industries eligible for automatic approval of foreign equity upto 51 per cent has been expanded and a new list for automatic approval of foreign equity upto 74 per cent has been announced. Foreign Institutional Investors have been allowed to invest in unlisted companies and in corporate and Government securities, and guidelines for External Commercial Borrowings have been liberalised.

Other reforms include setting up of Disinvestment Commission, independent Tariff Commission, enhancing investment ceilings for small scale industries, delicensing of consumer electronics, changes in sugar policy, deregulation of prices and distribution of certain categories of coal and amendment of Coal Mines Act.

Since December, 1996 the Government has allowed automatic approval for foreign equity participation upto 74 per cent in key infrastructure industries such as electricity generation and transmission, non-conventional energy generation and distribution, and construction activities in the area of roads, bridges, railbeds, ports and harbours. Sector specific reforms incorporating tax holidays and concessional import duty have been introduced for telecom and power sector. The Government has recently announced guidelines for private investment in highway development through Build Operate-Transfer (BOT) route.

All these reforms are being implemented by the Government with a high priority to special programmes of poverty alleviation and employment generation and the development of social sector for achieving distributive justice.

[English]

PMRY Loans in Kerala

99. SHRI KODIKUNNIL SURESH : Will the Minister of FINANCE be pleased to state :

(a) the total amount of money spent so far by the nationalised banks for the self-employment under the PMRY Scheme during the last three years;

(b) the total amount of money spent in Kerala; and

(c) the number of applications pending before the nationalised banks for this purpose in Kerala ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The details of sanction and disbursement by nationalised banks under Prime Minister's Rozgar Yojna (PMRY) Scheme (All India and in Kerala State) during the last three year are as under :

(Rs. in Lakhs)

Programme Year	Sanctioned amount		Disbursed amount	
	All India	Kerala	All India	Kerala
1	2	3	4	5
1994-95	66390.79	2518.33	41537.75	1868.55

1	2	3	4	5
1995-96	101412.33	2980.35	67715.49	2498.63
1996-97 (Upto Dec.'96)	44599.75	1911.95	19949.46	1024.11

(c) The Reserve Bank of India has reported that the number of pending applications with the nationalised banks in Kerala under PMRY as at the end of December, 1996 was 2268.

NTC Showrooms

100. SHRI MOHAN RAWALE : Will the Minister of TEXTILES be pleased to state :

(a) whether the employees working at the Showrooms of NTC (SM) and NTC (MN) Ltd. are paid different pay scales in different showrooms/mill gate shops;

(b) whether the said issue was discussed by the Board of Directors of National Textiles Corporation Ltd.;

(c) if so, the decision taken in this regard;

(d) whether the Chief Managing Director of NTC (SM) Ltd. has submitted a proposal to resolve the issue;

(e) if so, the details thereof; and

(f) the decision taken by the Government thereon ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) to (f) The information is being collected and will be laid on the Table of the House.

Coal Policy

101. DR. ASIM BALA : Will the Minister of COAL be pleased to state :

(a) whether a new integrated coal policy is on the anvil; and

(b) if so, the details thereof ?

THE MINISTER OF STATE THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Yes, Sir.

(b) The details of the policy are as under :

(i) Degregation of the prices and distribution of D Grade of non-coking coal, hard coke and soft coke with immediate effect.

(ii) Allowing Coal India Limited (CIL) and the Singareni Collieries Company Ltd. (SCCL) to fix the prices of E, F, and G Grades of non-coking coal till 1st January, 2000, once every six months by updating the cost indices as per the escalation formula contained in the 1987 report of the Bureau of Industrial Costs and Prices.

(iii) Allowing CIL and SCCL to fix the prices of E, F

and G Grades of non-coking coal in relation with the market prices and to distribute these grades of coal after 1st January, 2000.

(iv) Setting up of an independent body to monitor detailed and regional exploration of coal and lignite resources in the country.

(v) Allocation of new blocks on the basis of a competitive bidding process in which Indian companies including nationalised coal companies may participate.

Economic Cooperation with China

102. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken any step to establish economic cooperation with China;

(b) if so, whether both the countries have identified new ways and areas to establish Indo-China economic ties; and

(c) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Steps taken towards improving India-China economic relations include the setting up of a Joint Economic Group headed by Minister for External Affairs on the Indian side and the Minister for foreign Trade & Economic Co-operation on the Chinese side. The JEG, has been functioning since 1988 and the Sixth session of the JEG, is scheduled in early 1997.

Both countries extend to each other MFN status, a number of agreements have been signed between the two countries to facilitate bilateral trade and economic cooperation, these include an Agreement, on Avoidance of Double Taxation, Air Services Agreement, Shipping Agreement, an MoU on Banking Relations and several MoUs on functional cooperation covering different sectors like forestry, environment, coal, agriculture, Science & Technology etc. have been concluded.

A Joint Business Council has been established with FICCI and China Council for promotion of International Trade (CCPIT). The CII has also signed an MoU with All China Federation of Industry and Commerce and with CCPIT.

Border Trade is progressing through Pithoragarh in U.P. and Kinnaur in Himachal Pradesh.

Trade has been growing with China and in 1995-96 it was of the order of Rs. 1097 crores (Exports) and Rs. 2732 crores (Imports).

[Translation]

Remote Computer Look in Terminal Facility

103. SHRI KACHARU BHAI RAUT : Will the Minister of FINANCE be pleased to state :

(a) the details of such Banks in Maharashtra where 'Remote Computer Look-in Terminal facility' has been introduced;

(b) whether the employment opportunities in Banks are likely to be affected as a result of the said facility; and

(c) if so, the details thereof and the remedial measures taken in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The information is being collected and will be laid on the Table of the House.

[English]

Representation From Association of Bank Employees

104. SHRI AJAY CHAKRABORTY :
SHRI GEORGE FERNANDES :
SHRIMATI GEETA MUKHERJEE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received a representation from the All India Bank Employees' Association on matters pertaining to the banking industry;

(b) if so, the details thereof; and

(c) the action taken by the Government thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Government have received a representation from All India Bank Employees' Association, making suggestions on the following matters :

- (i) Restructuring of Banks.
- (ii) Wilful default of bank loans.
- (iii) Full disclosure of the list of all bank defaulters.
- (iv) Bank's Balance-sheets should be absolutely transparent.
- (v) Establishment of Independent Audit Commission.
- (vi) Establishment of a Central Vigilance Commission.
- (vii) Appointments of Bank's Chairmen & Executives through a Banking Service Commission.
- (viii) Standing Parliamentary Committee should be set up to screen the performance of Nationalised Banks.
- (ix) Periodic consultation with the unions of employees and officers.
- (x) Not to establish Local Area Private Banks.

(c) Effecting improvements in the banking industry is a continuous process in which suggestions received from different sources are kept in view in the light of all relevant factors.

Import & Smuggling of Cardamom

105. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether cardamom grown in Gautemala is coming legally/illegally to Indian market;

(b) if so, the total quantity of cardamom with its value which has come to India during each of the last two years;

(c) whether low priced Gautemala cardamom thus coming to India has crashed the domestic price;

(d) if so, the comparative price of Gautemala and Indian cardamom during the above period;

(e) whether Nepal is importing cardamom through Calcutta port;

(f) if so, the total quantity reached at Calcutta port during the above period;

(g) whether such cardamom is diverted to India at nil duty or low duty;

(h) if so, the total quantity of cardamom arrived in India from Nepal during the above period; and

(i) the steps taken by the Government to curb smuggling of cardamom from Nepal or in transit ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a), (g) and (h) Cardamom being a consumer item, its import is not permitted except against an import licence. However, growers of cardamom have represented to the Government that cardamom from Gautemala imported by Nepal is finding its way illegally into India.

(b) Details of imports of cardamom (small), during the last two years are given below :

Year	Qty. (MT)	Value (Rs. lakhs)
1994-95	20.00	32.82
1995-96	26.41	20.75

Source : DGCI&S Calcutta).

(c) No, Sir. The weighted average domestic price of small cardamom during the period Aug-Jan. (1996-97) was Rs. 398.46 per kg. as against Rs. 201.50 per kg. during the period Aug-July (1995-96).

(d) The price of Indian & Gautemalan small cardamom in the middle-east markets during the last 2 years was as under :

Year	Variety	Price range (US \$ per kg.)
1994-95	Gautemalan Small Cardamom (Bold green/Bold)	7.00-8.50
	Indian (Extra Bold/Bold)	16.81-20.30
1995-96	Guatemalan Small Cardamom (Bold green/Bold)	5.70-7.00
	Indian (Extra Bold/Bold)	9.00-10.50

(e) and (f) Some of the imports of small cardamom by Nepal are made through Calcutta port. However, official figures of such imports are not available.

(i) All concerned customs authorities and their field formations have been alerted and are vigilant to prevent any smuggling of cardamom from Nepal to India

[Translation]

Internal Audit System of Banks

106. SHRI PRAMOD MAHAJAN :
SHRI NAND KUMAR SAI :
SHRI RAMSAGAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the Rasheed Jalani Committee has made any recommendation in order to improve the internal audit system of banks;

(b) if so, the details thereof;

(c) whether the Government have instructed the banks to implement these recommendations;

(d) if so, whether all the banks have followed these instructions; and

(e) if not, the action taken/proposed to be taken against such banks who have not followed the said instructions alongwith their names ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes Sir.

(b) The Group had made a total of 79 recommendations of which 25 are to be implemented by the banks. According to the RBI some of the significant recommendations of the Committee are :

- (i) Effective measures should be initiated by banks to remove area of ambiguity and over lapping as also to reduce multiplicity of different types of inspection audit.
- (ii) Banks should introduce a system of branch rating based on inspection reports and review it periodically keeping in view the changed priorities and objectives set for proper working of the branches. Each bank should maintain computer profile of branches on their performance in thrust areas like audit rating-asset quality, level of NPAs, revenue leakage, profitability etc. Track record of frauds in branches etc. to be maintained.
- (iii) All poorly rated branches need to be inspected within 12 months and others between 12 and 18 months since the last inspection.
- (iv) Total computerisation of branches should move at a faster pace. Banks should also computerise the track record of branches in rectification of irregularities pointed out in inspection/audit reports.
- (v) Vigilance and Inspection departments should

be placed under the charge of two different executives.

(vi) Banks should have a system of fixing accountability of inspectors/auditors for their failure to detect/report serious irregularities.

(vii) Segmentation approach should be followed for inspection of large branches and inspection/audit could be carried out department wise in order to eliminate delay in inspection/audit.

(viii) It would be more beneficial to cover those branches under concurrent audit system which would account for 50% of total advances of the bank rather than 50% of total business.

(ix) Committee also recommended Computer Audit and audit of Electronic Data Processing (EDP) aspects, among others.

(c) Reserve Bank of India (RBI) has advised the banks vide their communication dated 1st November, 1996 to initiate immediate action to implement the recommendations.

(d) Most banks have reported receipt of the instructions and initiation of measures for implementation of the recommendations.

(e) The banks are required to submit progress reports to RBI in respect of the recommendations to be implemented by them commencing from the quarter ended December 31, 1996. Banks have since started submitting the reports. Pending receipt and verification of all reports it would not be possible to indicate the names of banks which have not complied with instructions.

[English]

Shifting of Offices from Srinagar

107. SHRI GHULAM RASOOL KAR : Will the Minister of FINANCE be pleased to state :

(a) the number of regional offices of Banking and insurance companies closed in Srinagar during militancy period; and

(b) whether the Union Government have asked these regional offices to shift again in Srinagar ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Reserve Bank of India (RBI) have reported that no Regional Office of any banking company was closed in Srinagar during the militancy period. Insurance Companies do not have any Regional Office in Srinagar.

(b) Does not arise.

[Translation]

Election Expenses

108. SHRI PANKAJ CHOWDHARY : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government have received any proposal from the Election Commission to include party's expenditure in the expenditure of candidates and also to raise the ceiling of election expenditure;

(b) if so, the details thereof; and

(c) the time by which a final decision is likely to be taken in this regard ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) and (b) The Election Commission has made a proposal for deletion of Explanation-I under section 77 (1) of the Representation of the People Act, 1951 and for simultaneous upward revision of the ceilings on election expenses

(c) It is not possible at present to indicate the exact time by which a final decision is likely to be taken in this regard.

[English]

Foreign Institutional Investors

109. SHRI L. RAMANA :
KUMARI SHUSHILA TIRIYA :

Will the Minister of FINANCE be pleased to state :

(a) the names of the foreign institutional investors that have been allowed to invest in the Indian stock market;

(b) the total amount invested by these FIIs during the year 1994-95 and during the first nine months of 1995-96 respectively in the Indian Stock market;

(c) whether any analysis has been made about the positive and negative effects of these investments;

(d) if so, the details thereof;

(e) whether the foreign institutional investors have become major players which has rendered the role of Indian financial institutions like UTI and LIC ineffectual in serving as regulatory bodies at the sources; and

(f) if so, the action taken or proposed to be taken in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) According to the information made available by the Securities & Exchange Board of India (SEBI), as on 13.1.1997, the number of Foreign Institutional Investors (FIIs) who have registered with SEBI stood at 427. The names of these FIIs are being obtained from SEBI and will be laid on the Table of the House. The amount of net investments made by the FIIs during the financial year 1994-95 and during the first nine months of 1995-96 have been as follows :

US \$ Million

1994-95

1995-96

Upto Dec. 1995

1528.3

1015.8

(c) and (d) Participation by international investors increases the depth and credibility of domestic capital markets and enhances the scope for capital mobilisation by Indian Industry. Besides the foreign exchange inflows consequent to FII investments play a facilitating role in management of the country's Balance of Payment situation.

(e) and (f) The all India Financial Institutions continue to play a predominant role as major investors in the Indian Capital markets. As a class of investors FIIs are among the major investors in the Indian capital markets. However, in terms of SEBI regulations, FII investments are limited to a maximum ceiling of 24% of the paid up equity capital of a single Indian company under the portfolio route.

[Translation]

ADB Loan For Projects and Canals

110. SHRI D.P. YADAV : Will the Minister of FINANCE be pleased to state :

(a) the funds allocated for the development of projects and canals in Uttar Pradesh with the help of Asian Development Bank;

(b) the details of these projects;

(c) whether some works have been undertaken with the help of Asian Development Bank during 1996-97;

(d) if so, the amount spent thereon; and

(e) the time by which remaining work is likely to be completed ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e) A loan of US \$ 31.318 million was approved by Asian Development Bank on October 30, 1990 for Government of Uttar Pradesh under the Second Road Improvement Project. During 1996-97, an amount of Rs. 150.10 million has been spent till December 31, 1996. The remaining work is likely to be completed by June 30, 1998.

Besides the above project, there are ADB assisted Central/Public Sector Projects, such as, Road Improvement Project, Second Railways Project, Unchahar Thermal Power Project in which U.P. is a beneficiary State.

P.M.R.Y.

111. SHRI DATTA MEGHE : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government are aware that the fund allocated for Prime Minister's Rojgar Yojana is being diverted to other purposes in various states;

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

(c) the steps being taken by the Government to improve the situation ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

(b) and (c) Do not arise.

Disinvestment Commission

112. SHRI SRIBALLAV PANIGRAHI : Will the Minister of INDUSTRY be pleased to state :

(a) the manner in which the Disinvestment Commission has helped in abating the criticism associated with the sale of PSU equity in the past;

(b) the target set of disinvestment during the 1996-97 together with the details of the disinvestment; and

(c) the steps taken by the Government to see the disinvestment is done keeping in view the market conditions?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The Disinvestment Commission was set up on 23.8.96. However, since then no disinvestment of PSU shares has taken place.

(b) As per the Budget for 1996-97 Rs. 5000 Crores was proposed to be raised from PSU disinvestment during the current year. No disinvestment, however, has taken place so far in 1996-97.

(c) Market conditions are kept in view in the disinvestment process.

[English]

KVIC

113. SHRI PAWAN DIWAN :
SHRI MOHAMMAD ALI ASHRAF FATMI :

Will the Minister of INDUSTRY be pleased to state :

(a) the names of the districts where the employment oriented programmes of Khadi and Village Industries Commission are being implemented, and

(b) the criteria followed for the adoption of districts for the employment schemes of Khadi and Village Industries Commission ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) For District Special Employment Programme, 71 districts all over the country were selected. The list is enclosed as Statement.

Out of these 71 districts, the KVIC could launch the programme in 25 districts namely : Mou, Jaunpur, Jhabua, Sarguja, Raipur, Chamba, Chandrapur, Dausa, Jaipur, Tonk, Adilabad, Kurnool, East Godawari, Kolar, Banaskantha, Kalahandi, Anantnag, Saharsa, Alleppy, Thrissur, Pathnamthitta, Kozhikode, Ramnathpuram, Tirunelveli and Ambala.

For the rest of the districts and to carry on the programme further, money has now been released to the

State KVI Boards for direct implementation by the States and action is being taken by them for speedy implementation.

(b) Districts for implementing special employment programmes were selected taking into consideration the backwardness, the wage level and other infrastructure facilities for the development of Khadi and Village Industries in the District.

Statement

Names of the Districts where the Employment Oriented Programmes of Khadi & Village Industries Commission have been sanctioned

State	SISI	Districts
1	2	3
Andhra Pradesh	Hyderabad	Kurnool Adilabad Mehboob Nagar Prakasham Karimnagar East Godavari Srikakulam
Arunanchal Pradesh	Guwahati	Changlang
Assam	Guwahati	Marigon Lakhimpur
Bihar		Saharsa Godda Madhubani Gaya
Gujarat	Ahmedabad	Banaskhanta Panchmahal Kutch
Himachal Pradesh	Solan	Chamba Kullu & Manali
Haryana	Karnal	Rewari
Jammu & Kashmir	Jammu	Anant Nag Jammu
Karnataka		Kolar Raichur Dharwad Chitradurga
Kerala	Trichur	Alleppy Pathanamthitta Thrissur Kozhikode
Madhya Pradesh	Indore	Sarguja Bhind Guna

1	2	3
		Raipur Jhanbua Betul
Maharashtra	Bombay	Chandrapur Yavatmal Beed Nanaded Raigarh & Ratnagiri
Manipur	Imphal	Imphal
Meghalaya	Guwahati	East Garo Hills West Garo Hills South Garo Hills
Mizoram	Imphal	Lunglei & Aizwal
Nagaland	Imphal	Dimapur & Kohima
Orissa	Cuttack	Kalahandi Phulbani Koraput Dhankanal
Punjab	Ludhiana	Hoshiarpur
Rajasthan	Jaipur	Dausa Tonk Udaipur Jaipur
Tripura	Agartala	Tripura (West)
Tamil Nadu	Madras	Ramanathapuram Tirunelveli Dharmapuri North Arcot South Arcot
Uttar Pradesh		Mau Almora & Pithoragarh Chamauli & Uttarkashi Mathura Shahjahanpur Jhansi Jaunpur
West Bengal	Calcutta	Birbhum North 24 Parganas & South 24 Parganas Malda Nadia
Sikkim	Gangtok	Sikkim

Joint Venture Car Project

114. SHRI K.P. SINGH DEO : Will the Minister of INDUSTRY be pleased to state :

(a) whether some of joint venture units in the field of car projects are facing severe financial crisis;

(b) if so, the reasons therefore; and

(c) the steps taken by the Government to remedy the situation ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Ministry of Industry has not received any representation regarding financial crisis faced by joint venture in car projects.

(b) and (c) Do not arise.

[Translation]

Closure of Mines Under BCCL

115. PROF. RITA VERMA : Will the Minister of COAL be pleased to state :

(a) whether there is any proposal to close down coal mines of Bharat Coking Coal Limited where cost of production is on high side;

(b) if so, the names of coal mines which have been identified for closure;

(c) the cost of production in such coal mines;

(d) the number of labourer engaged in such coal mines;

(e) the grades of coal mined from these mines; and

(f) the steps taken to rehabilitate the labourers working in those mines in the event of closure ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) There is no proposal at present to close down any coal mine in Bharat Coking Coal Limited.

(b) to (f) Do not arise in view of (a) above.

[English]

Third Partnership Summit By CII

116. SHRI MADHAVRAO SCINDIA : Will the Minister of INDUSTRY be pleased to state :

(a) the precise outcome of the Third Partnership Summit organised by the Confederation of India Industry, in January 1997 in Calcutta, in terms of securing foreign direct investment in core sections and infrastructure; and

(b) the steps taken by the Government so far to eliminate middle men, minimise procedural delays and bringing about transparency in matters of investment in different sectors of economy ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The Partnership Summit organised by CII at Calcutta from January 9-11, 1997 was of exploratory nature and provided an opportunity to have close interaction between industry representatives of India & Britain. During the Summit, a number of agreements for cooperation between the companies of two countries were signed and announcements to that effect made. There is an inherent time lag between the impact of such investment meets and actual flow of FDI.

(b) The foreign direct investment policy is constantly reviewed with the objective of making it simple and investor friendly. The Government with this objective in view, have recently announced a set of guidelines for consideration of FDI proposals by FIPB and expansion of list of certain industries for automatic approval.

Export of Readymade Garments and Carpets

117. SHRI UTTAMSINGH PAWAR :
SHRIMATI KETAKI DEVI SINGH :
SHRI A.G.S. RAM BABU :

Will the Minister of TEXTILES be pleased to state :

(a) the target fixed for export of readymade garments and carpets during the year 1995-96 and 1996-97 along with the target achieved;

(b) whether the Government are aware that a large number of garment exporters do not maintain the international standard of quality and as a result thereof the response from the foreign countries for garments is not upto the mark, and

(c) if so, the steps taken or proposed to be taken by the Government to ensure that the good quality of goods are exported ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) The target fixed for exports of readymade garments during 1995-96 and 1996-97 and the achievements have been as follows :

Value in million US dollars

Year	Target	Achievement
1995-96	4,800	4453.31
1996-97	4,750	3389.54 (upto to Dec '96)

No separate targets are fixed for export of carpets. The exports of Carpets during 1995-96 and 1996-97 (upto Dec '96) have been as follows :

Year	Value in million US dollars
1995-96	589.44
1996-97	411.21 (upto Dec '96)

(b) and (c) No specific complaints have been received by the Government to the effect that a large number of garment exporters do not maintain international standards of quality. However, Government have taken up the matter of enhancing quality consciousness among all our textile exporters, including garment exporters, through various publicity measures of the Textiles Committee.

[Translation]

Acquisition of Land by CIL

118. SHRI SHIVRAJ SINGH : Will the Minister of COAL be pleased to state :

(a) the total area of the land acquired by Coal India Limited after nationalisation of coal industry,

(b) the number of families displaced as a result thereof and the number of families rehabilitated by coal companies so far, and

(c) the time by which the remaining displaced families are likely to be rehabilitated ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) In the post nationalisation period Coal India Limited and its subsidiary companies have acquired 1,13,550 hectares of land.

(b) Till November 1996, 6649 families have been displaced and all of them have been rehabilitated.

(c) Does not arise in view of reply at (b) above

[English]

Export of Shark Fins/Meat/Skin

119. SHRI V. PRADEEP DEV : Will the Minister of COMMERCE be pleased to state :

(a) the amount of foreign exchange earned by exporting shark fins, shark meat and skin to Singapore, Hongkong, Malaysia and Asian to far-east countries during 1995-96 and 1996-97 upto December 31, 1996,

(b) the number of sharks caught and slaughtered annually, and

(c) the future prospect of this trade ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The amount of foreign exchange earned by exporting shark fins and shark meat during 1995-96, 1996-97 (upto December, 31, 1996) is as per the enclosed Statement

(b) The landings of a shark during the years 1994 and 1995 have been 35,361 and 45,371 MTs respectively. However, the statistics with regard to slaughter of sharks are not available

(c) The market for shark fins and shark meat is very limited and has not shown much prospect for growth.

Statement

Countries	Shark Fins		Shark Meat		Shark Skin
	Foreign Exchange Realisation		Foreign Exchange Realisation		Foreign Exchange Realisation
	1995-96	1996-97 (upto 31 Dec., 1996)	1995-96	1996-97 (upto Dec. 31, 1996)	1995-96 and 1996-97 (upto Dec. 31, 1996)
Singapore	892.49	277.98	000.18	—	—
Hongkong	292.80	111.23	000.10	—	—
Malaysia	—	0.78	—	—	—
Taiwan	—	—	118.71	—	—
Others (USA, UAE & Taiwan)	7.85	1.25	—	—	—
Others (China, Japan, Austria & Spain)	—	—	63.70	—	—
Total	1193.14	391.24	182.69	—	—

Value = Rs. lakh.

Source = MPEDA.

Incentives to Indian Investors

120. SHRI BHAKTA CHARAN DAS : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to give top priority to the proposals of Indian investors instead of foreign investors; and

(b) if so, the details of incentives proposed to be given to Indian investors to encourage them ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) The role of foreign direct investment is to supplement domestic investment and to bridge the gap between domestic savings and the required rate of investment, so as to attain the targeted growth rate. At the same time, the Indian industry has developed its own resilience and strength and is ready for a more dynamic relationship with foreign industry so as to exploit global marketing, export opportunities and emerging technologies in order to be internationally competitive. The large number of investment intentions filed indicate that the total approvals for foreign direct investment amount to only about 13.6% of the domestic investment intentions filed. To encourage the domestic industry the Government has taken various measures which *inter alia* include reduction in excise duty, levy of countervailing duty wherever required, reduction in corporate tax, etc.

Credit Deposit Ratio of Commercial Banks in Kerala

121. SHRI N.K. PREMCHANDRAN: Will the Minister of FINANCE be pleased to state :

(a) whether the credit deposit ratio of the commercial

banks in Kerala had been declining considerably for the last few years;

(b) if so, the total amount mobilised by the commercial banks in Kerala towards the deposits for the year 1996;

(c) the total amount distributed as loans to the people in Kerala during the above period; and

(d) the steps proposed to be taken by the Government to enhance the credit deposit ratio of the commercial banks in Kerala ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The credit deposit (C:D) ratio of all scheduled commercial banks in Kerala for the last four years, as furnished by Reserve Bank of India (RBI), are given below :

As on the last Friday of	C:D Ratio (in percentage)
March 1993	48.7
March 1994	44.3
March 1995	44.9
March 1996	45.4

(b) and (c) The deposits and advances outstanding in respect of all scheduled commercial banks in Kerala as on the last Friday of March 1996, are furnished below :

(Rs. in crore)

Deposit	Credit
19792.8	8984.6

(d) In the context of the general declining trend in Credit-Deposit Ratio in Kerala, a Task Force was set up to look into the issue and suggest measures for improvement. The Task Force in its report submitted in July 1994 has identified various constraints in expansion of credit in Kerala and suggested a series of measures to be taken by the agencies responsible for implementation of the recommendations. A Monitoring Committee under the Chairmanship of the Chief Secretary, Government of Kerala was constituted to oversee the speedy implementation of the recommendations. The Committee has been reviewing the measures initiated by the various agencies from time to time.

Waiver of Loans of NTC Mills

122 SHRI DINSHA PATEL: Will the Minister of TEXTILES be pleased to state :

(a) whether a proposal to write off loans of 43 sick mills under National Textile Corporation (NTC) is under consideration of the Government; and

(b) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R. L. JALAPPA) :

(a) and (b) The BIFR has issued show cause notices for winding up four subsidiary corporations of NTC, namely,

NTC (UP) Ltd., NTC (MP) Ltd., NTC (Guj.) Ltd., & NTC (WB/B & O) Ltd., mainly on the ground that the net worth of these four subsidiary corporations will not become positive in ten years of implementation of rehabilitation plan unless Govt. loans and interest thereon are waived. The matter is under consideration of the Government.

Trade with Neighbouring Countries

123 SHRI RAJENDRA AGNIHOTRI: Will the Minister of COMMERCE be pleased to state :

(a) to total value of trade undertaken with China, Nepal, Sri Lanka, Bangladesh, Pakistan and other neighbouring countries during each of the three years; and

(b) the steps being taken to increase the trade with these countries ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The data on trade with China, Nepal, Sri Lanka, Bangladesh, Pakistan and other neighbouring countries during the last 3 years is given in the enclosed Statement I.

(b) The steps being taken to increase trade with these countries are given in the enclosed Statement II.

Statement I

Trade with India's Neighbour

(Value in Rs. crores)

Country	1993-94			1994-95			1995-96		
	Export	Import	Total Trade	Export	Import	Total Trade	Export	Import	Total Trade
China	875.33	946.97	1822.30	798.24	2388.90	3187.14	1097.44	2732.84	3827.28
Nepal	304.87	85.62	390.49	377.00	114.89	491.89	536.45	166.95	703.40
Sri Lanka	897.47	62.19	959.66	1151.08	96.40	1247.48	1335.62	145.83	1481.45
Bangladesh	1349.69	56.09	1405.78	2024.13	119.85	2143.98	3469.91	282.14	3752.05
Pakistan	200.66	136.48	337.14	179.71	165.61	345.32	256.80	150.80	407.60
Bhutan	31.10	9.34	40.44	34.83	57.40	92.23	57.56	107.20	164.76
Maldives	24.63	1.02	25.65	48.28	0.73	49.01	52.52	0.55	53.07
Afghanistan	67.63	11.32	78.95	49.05	20.52	69.57	64.80	28.57	93.37
Myanmar	67.56	379.62	447.18	71.10	398.02	469.12	84.51	527.58	612.09

Statement II

India and its neighbouring countries namely Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives and Pakistan have organised themselves into South Asian Association for Regional Cooperation (SAARC) with the intention, *inter-alia*, to strengthen trade relations among themselves. An agreement for Preferential Trading Arrangement (SAPTA) among the SAARC Member States was signed in 1993. It became operational with effect from 7.12.95 with the intention to progressively reduce the tariff incidence for intra-regional trade. It is proposed to set up a total Free Trade Area in the region preferably by 2000 A.D. but not later than 2005 A.D. Reduction/removal of tariff and non-tariff barriers, exchange of information relating to bulk imports by government agencies, improvement in transport and transit infrastructure, exhibition of existing trade potential of the Member countries with a view to encourage the import requirements of Member countries from within the region, simplification of visa facilities for more frequent inter-action between the Government and business/trade promotion agencies, seminars and workshops at business level and efforts made by the SAARC Chamber of Commerce and Industries to promote economic inter-action within the region etc. are some of the measures taken by India and its neighbouring countries to strengthen trade relations.

2. The steps taken to increase trade with China include reopening of traditional trade between inhabitants along the border of two sides, promotion of technical collaboration between the two countries, setting-up of Joint Task Force for monitoring progress of implementation of coal projects with Chinese cooperation, participation in trade fairs and inter-action between the business communities of India-China organised by India and China Joint Business Council.

3. The steps taken to increase trade with Myanmar include operationalisation of border trade between India and Myanmar, organisation of trade exhibitions and exchange of business delegations and official delegations.

[Translation]

Violation of Companies (Deposit and Sanction) Rules, 1975

124. SHRI N. J. RATHWA : Will the Minister of FINANCE be pleased to state :

(a) whether clause 58A of the Companies (Deposit and Sanction) Rules, 1975 provides modes and principles for a

company who are engaged in mobilising fixed deposit from the general public;

(b) if so, the details thereof;

(c) whether the fixed depositors can make any complaint to the 'Company Law Board' against the defaulting companies;

(d) if so, whether the Government are aware that some companies are violating the above Rules by mobilising heavy amount as fixed deposit from the public during the last three years;

(e) if so, the details of such complaints received by the 'Company Law Board' particularly from those companies which come under the purview of Registrar of Companies (Delhi and Haryana) during the above period, year-wise; and

(f) the action taken by the 'Company Law Board' in this regard, Company-wise ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Section 58A of the Companies Act, 1956 provides for the regulations of the invitation and acceptance of deposits. The Companies (Acceptance of Deposits) Rules, 1975 were notified in exercise of the powers conferred by Section 58-A read with Section 642 of the said Act.

These rules *inter alia* provide for period of deposit, ceiling on rate of interest and rate of brokerage, permissible limits for acceptance of deposits and other restrictions on acceptance of deposits. A company is required to deposit 15% of the deposits maturing during the year in specified securities. Every company shall issue an advertisement/deliver a statement in lieu of advertisement in the prescribed manner.

(c) Depositors may apply to the Company Law Board under the provisions of Section 58-A (9), where a company has failed to repay any deposit or part thereof in accordance with the terms and conditions of such deposit.

(d) Some instances where companies have failed to comply with the provisions of the law and the Rules relating to deposits have come to the knowledge of the Government.

(e) and (f) The Company Law Board received 1,000 applications u/s 58-A (9) during 1995-96. A statement of complaint received by Company Law Board (Northern Bench) relating to Companies which come under the purview of Registrar of Companies (Delhi and Haryana) during the last 3 years and action taken by Company Law Board is attached.

Statement

S. No.	Name of the company	No. of Depositors who applied	Remarks
1	2	3	4
1994 including applications received in subsequent years			
1.	Escorts Transmission Ltd	2	Notice to the Company issued - Hearing to be fixed.

1	2	3	4
2.	Magnavision Electronics Ltd.	1	Notice to the company issued – Hearing to be fixed
3.	Bharat Overseas Constructions Ltd.	176	The Company was wound up provisionally. It has now been revived
4.	Incap Housing Development Corpn. Ltd.	9	Notice sent to the Company – Hearing to be fixed.
5.	Curewell (India) Ltd.	1	-do-
6.	Pure Drinks (ND) Ltd.	9941	Orders in respect of depositors were issued on 9.11.90, 20.02.91, 21.3.91, 26.6.91, 2.5.91, 25.7.91 & 20.10.91. The Company has now come before CLB for extension of time for complying with the order. This has been fixed for hearing on 18.2.97.
7.	Indana Spices & Food Industries Ltd.	265	Final orders issued. Winding up orders have been passed by the Hon'ble High Court of Delhi. The matter heard on different dates. Last hearing held on 3.2.97. Orders reserved for three weeks.
8.	Thapar Agro Mills Ltd.	968	The matter heard on different dates. Last hearing held on 3.2.97 - Orders reserved for three weeks.
9.	Uniplas India Ltd.	27	Hearing held on 17.1.97 - Adjourned to 17.3.97
<i>Total No. of Companies – 9</i>			
<i>1995 Including applications received in subsequent years</i>			
10.	Nuware India Ltd.	2	Notice to the Company issued - Hearing to be fixed
11.	G.M. Associates Pvt. Ltd.	1	-do-
12.	Alpha Toyo Ltd.	1	-do-
13.	Muradabad Syntex Ltd.	1	Notice sent to the Company - Received back with remarks "LEFT WITHOUT ADDRESS"
14.	Orient Abrasives Ltd.	2	Notice issued to the company - Hearing to be fixed
15.	M.S. Shoes East Ltd.	4	The company has made payment to two depositors. Negotiating for remaining two
<i>Total No. of Companies – 6</i>			
<i>1996</i>			
16.	Hilton Rubbers Ltd.	1	Payment made, case disposed of.
17.	Em Jay Video Pvt. Ltd.	1	Notice to the Company issued - Returned with the remarks 'Left'
18.	Perutek Services Ltd.	1	Notice issued to the company – Hearing to be fixed.
19.	Weston Electroniks Ltd.	2	Notice issued to the company – Hearing to be fixed
20.	Nuchem Ltd.	102	Fixed for hearing on 7.3.1997

1	2	3	4
21.	Montari Industries Ltd.	24	Hearing held on 14.2.1997 and the Company has undertaken to file an affidavit setting out the schedule of refund of the deposits by 17.2.1997. Final orders will be passed thereafter
22.	SRG Infotech (India) Ltd.	3	Notice issued to the Comapny - Hearing to be fixed.
23.	Cement Corpn. of India Ltd.	1	Fixed for hearing on 13.3.97.
24.	Green Hills Plantations Ltd.	1	Case disposed of.
25.	Keonics Magnavision Computers Ltd.	1	Notice issued to the company. Hearing to be fixed.
26.	International Housing Dev. Corpn. Ltd.	1	-do-
27.	Western Paques (I) Ltd.	1	-do-
28.	Willard India Ltd.	1	Notice issued to the company. The company in its reply date 10.2.1997 has stated that the payment will be made within next three months.

Total No. of Companies - 13

Export of Sports Goods

125. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of COMMERCE be pleased to state :

(a) the details of sports goods exported and the foreign exchange earned therefrom during the current year, country-wise, and

(b) the steps taken by the Government to boost the export of sports goods ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The major items of sports goods exported during the current year include inflatable balls and bladders, protective equipment for cricket, cricket bats, boxing equipment, indoor games equipment, cricket and hockey balls and hockey sticks. Country-wise exports and the foreign exchange earned during the period April to December, 1996-97 are as follow :

(In US \$ Million)

Country	Exports during (April-Dec. 96-97)
1. UK	10.60
2. Australia	5.98
3. Italy	4.61
4. USA	3.58
5. Germany	2.66
6. South Africa	2.22
7. France	1.35

8. Newzealand	1.24
9. Saudi Arabia	0.73
10. Japan	0.54
11. Others	4.78
Total	38.29

Source : Sports Goods Export Promotion Council.

(b) The steps taken by the Government to boost the export of sports goods include :

- (i) Most of the Sports Goods items are reserved for production in the Small Scale Sector and therefore are eligible for higher incentives under Exim Policy
- (ii) Important raw materials like Nylon Gut, Ashwood, Beach Wood, Willow Cleft, Feathers etc. used in the sports goods industry are allowed to be imported under the concessional customs duty of 10% *ad-valorem*.
- (iii) to promote Indian Sports Goods abroad, Govt. sponsors trade delegations from time to time.
- (iv) The Government gives grant to the Sports Goods EPC for partially meeting the expenditure on developmental activities including participation in fairs/exhibitions abroad.

[English]

Coir Board

126. SHRI RAMESH CHENNITHALA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the coir board has undertaken any new promotional plan for its products;

(b) if so, the details thereof; and

(c) the amount allocated for various promotional activities during the last three years ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Coir Board undertakes promotional measures for its products under various Plan schemes such as Domestic Market Development, Export Promotion, Trade Information System, support for training infrastructure technology transfer, Mahila Coir Yojana, support to brown fibre sector and Research and Development.

The Plan schemes of Coir Board aim at substantial growth in the production of coir fibre, facilities to process the coir fibre and coir pith into value added products and expansion of market for coir products in India and abroad, contributing better employment to the existing workers and generation of additional employment and higher income to all in the Coir Industry.

The thrust of the Research & Development Programmes is on modernisation, quality upgradation, product diversification, new product development and improved productivity which would result in higher wages and better standard of living for the workers engaged in the industry and growth of economy in coir producing States and growth in foreign exchange earning of the Nation. Finding new markets for coir both within the country and outside and new uses and applications for this natural fibre has also been accorded top priority. Training cum employment and providing fuller employment to the workers and assistance for modernisation are other areas of importance in the present proposals.

(c) Budget allocation for Plan schemes of Coir Board for the last three years are :

(Rs. in lakhs)

1993-94	570 00
1994-95	570 00
1995-96	690 00

Setting up of Coffee Processing Unit by Coffee Board in Kerala

127. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any proposal to start a coffee processing unit in Kerala by the Coffee Board;

(b) whether the Government of Kerala has made any request to the Union Government for setting up such units;

(c) if so, the details thereof and the estimated cost of the units; and

(d) the action taken by the Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) No, Sir.

(c) and (d) Do not arise.

Technology Upgradation Fund

128. SHRI B.L. SHANKAR : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government propose to set up a technology upgradation fund for textiles sector during the Ninth Plan period;

(b) if so, the details thereof indicating the criteria of its distribution; and

(c) the extent to which it is likely to help to boost the export of textiles ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (c) A proposal is under consideration to facilitate modernisation, through technological upgradation of the textile industry. The intended objective is to improve production and productivity of the Indian textile industry to make it more competitive, including in the export market. Details of the Scheme are yet to be worked out.

Civilian Armed Forces for Income Tax Raids

129. SHRI BRIJ BHUSHAN TIWARI :
KUNWAR SARVARAJ SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Income Tax authorities have demanded for a separate special civilian armed force to assist them during Income Tax raids;

(b) if so, the action taken thereon; and

(c) the action proposed to be taken to protect the life and properties of officials entrusted with the duties of Income Tax raids ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) All necessary steps are taken for the security of the officials engaged in search duties. Since 'law and order' is a State subject, armed police force is provided by various State Governments for the security of the I.T. search parties. Besides, sufficient number of operational vehicles and communication equipments have been provided to all Directorates for increasing safety and efficiency of the officials engaged in searches.

Assistance to Coir Industry

130. SHRI KODIKUNNIL SURESH : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have received any proposal from Government of Kerala for getting assistance for the Coir Industry in Kerala;

(b) if so, the details thereof;

(c) whether the Union Government are aware that Coir Industry is facing problems;

(d) if so, the details thereof; and

(e) the action taken by the Government to remedy the situation ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (e) Proposals have been recieved from the Government of Kerala for assistance under various schemes. One such proposal is for assistance under Integrated Coir Development Project of Kerala Government. This proposal has been examined in the Ministry and sanction for release of Rs. 1.70 crores for ICDP of Kerala has been issued. Another proposal of the Kerala Government was for a one time special grant of Rs. 2 crores for funding towards distress purchase scheme sanctioned by Government of Kerala to clear the stocks of coir and coir products from the producing centres. The proposal was examined and it was found that Government does not have any budgetary provision for such financial assistance. However sanction for release of a loan of Rs. 80 lakhs to COIRFED, Kerala through the Coir Board has been issued for distress purchase of coir and coir products by re-appropriation from other Head of Account.

Another proposal of the Kerala Government was for release of Rs. 50 lakhs towards contribution to Kerala Coir Workers Welfare Fund Board. Sanction for release of this amount has already been issued by the Government

B.I.F.R.

131. SHRI AJOY MUKHOPADHYAY :
SHRI BASU DEB ACHARIA :
SHRI HARADHAN ROY :
SHRI TARIT BARAN TOPDAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the revival schemes sanctioned by the BIFR are not becoming effecting due to non-compliance with the provisions of the plan by the promoters such as Financial Institutions and Banks etc; and

(b) if so, the steps taken by the Government to remedy the situation and to avoid delay in deciding the cases of sick public sector companies ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Board for Industrial and Financial Reconstruction (BIFR) has reported that during the course of review of the implementation of the rehabilitation schemes sanctioned by it for the revival of sick industrial companies, certain instances of non compliance with the provisions of the rehabilitation schemes by the promoters, financial institutions and banks due to various reasons have been noticed.

(b) BIFR has reported that monitoring agencies have been directed to send progress reports regarding the implementation of the rehabilitation schemes on time to enable the BIFR to initiate timely remedial measures, wherever necessary. It may also be added that in case of failure to comply with the provisions of a sanctioned scheme, BIFR has powers to invoke penal provision as provided under section 33 of the Sick Industrial Companies (Special Provisions) Act, 1985.

[Translation]

Use of Hindi

132. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether his ministry has modern gadgets installed such as computer, telex, teleprinting etc. which are in Roman Scirpt and these are being converted into bilingual;

(b) if so, the manner in which these bilingual gadgets will be put into use by the Ministry;

(c) the manner in which the use of Hindi will be promoted;

(d) whether the Ministry has given exemption for use of Hindi to their offices located in Region 'A' where work has to be done cent percent in Hindi; and

(e) if so, the reasons for giving such an exemption ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) Yes, Sir.

(b) and (c) The officials of the Ministry are being encouraged to use these modern bilingual gadgets for their day-today official work so that the use of Hindi is promoted.

(d) No, Sir.

(e) Does not arise.

Photo Identity Cards

133. SHRI PANKAJ CHOWDHARY :
KUMARI UMA BHARATI :
JUSTICE GUMAN MAL LODHA :
SHRI SURENDRA YADAV :
DR. MAHADEEPAK SINGH SHAKYA :
PROF. PREM SINGH CHANDU MAJRA :

Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of persons in the country issued photo Identity Cards so far State-wise;

(b) the amount spent on issuing photo Identity Cards; and

(c) the time by which photo Identity Cards are likely to be issued to all the eligible voters ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) A Statement is attached.

(b) The Central Government has, so far, released a sum of about Rs. 423 crore to various State Governments and Union Territories for the implementation of the scheme of photo identity cards.

(c) The scheme of issue of Photo Identity Cards is an on-going scheme as electoral rolls keep on changing due to continuous addition/deletion of names from it. Moreover, no fresh deadline has so far been fixed by the Election Commission of India.

Statement

Electors supplied with Defect-Free Identity Cards in different States/Union Territories as on 31-1-1997

Sl. No.	State/Union Territory	Electors supplied with defect-free identity card
1.	Andhra Pradesh	28128499
2.	Arunachal Pradesh	351962
3.	Assam	70088
4.	Bihar	15615368
5.	Goa	478261
6.	Gujarat	22398434
7.	Haryana	9314815
8.	Himachal Pradesh	2311377
*9.	Jammu and Kashmir	Scheme no implemented
10.	Karnataka	19890111
11.	Kerala	22487
12.	Madhya Pradesh	22598928
13.	Maharashtra	43637656
14.	Manipur	984820
15.	Meghalaya	536304
**16	Mizoram	Nil
17.	Nagaland	Nil
18.	Orissa	16585361
19.	Punjab	10343295
20.	Rajasthan	16840654
21.	Sikkim	196540
@22.	Tamil Nadu	Nil
23.	Tripura	884671
24.	Uttar Pradesh	41248000
25.	West Bengal	31439143
26.	Andaman & Nicobar Island	172000
27.	Chandigarh	268249
28.	Dadra & Nagar Haveli	50220
29.	Daman & Diu	41414
30.	National Capital Territory of Delhi	5257000
31.	Lakshadweep	29612
32.	Pondicherry	554286

The Scheme of I-cards not implemented.

I-cards could not be issued to electors due to large number of complaints in respect of Foreign nationals received by States.

Photography has since started in Tamil Nadu.

[English]

Export of Cotton

134. SHRI L. RAMANA: Will the Minister of TEXTILES be pleased to state :

(a) whether the quota of several lakh bales of cotton released recently for export,

(b) if so, the details thereof,

(c) whether the exporters are not finding customers in the International Market,

(d) if so, the reasons therefore, and

(e) the steps the Government propose to take in this regard ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA)

(a) and (b) Quota of 12.20 lakh bales of cotton has been released by the Government during the current 1996-97 cotton season, for export.

(c) No, Sir.

(d) and (e) Do not arise.

Performance of PSUs

135. DR. T. SUBBARAMI REDDY :
SHRI SUBRAHMANYAM NELAVALA :

Will the Minister of INDUSTRY be pleased to state

(a) whether the status report on Central public sector undertaking prepared by his Ministry as on March 31, 1995 states about 130 enterprises made profit and 109 enterprises either made losses or became sick,

(b) if so, the details thereof,

(c) the total net profit earned by them in 1994-95 and during 1995-96,

(d) whether the Government have felt that there is a need for evolving the new concerted approach and strategies for healthy future of the Public enterprises,

(e) if so, the details thereof, and

(f) the steps propose to be taken by the Government to earn the profit by Public Sector Undertakings ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Yes, Sir. The enterprise-wise detail of profit and loss is given in statement No. 7 (A) and 7 (B) of Volume-1 of Public Enterprises Survey 1994-95 laid in both Houses of Parliament on 19.7.96.

(c) Net profit earned by Central PSUs as a whole was Rs. 7217.41 Crores during year 1994-95 upto which period only information is available.

(d) and (e) The need for evolving a concerted approach and strategy for healthy future of PSUs is recognised. The strategy in this regard for Central PSUs has been outlined in

Statement on Industrial Policy 1991 and the Common Minimum Programme of the Government.

(f) Steps taken to improve the performance of PSUs is enterprise specific. However, some of the steps taken include periodical performance review meetings by the Administrative Ministries, more delegation of powers to Board of Directors, professionalisation of Board Management, signing of MOUs reduction of surplus manpower through VRS, technology upgradation, etc.

[Translation]

Pending Court Cases

136. SHRI PAWAN DIWAN :
SHRI KANSHI RAM RANA :

Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of cases pending with the Supreme Court for want of decision;

(b) the separate details of the cases which are lying pending for twenty years, fifteen years, ten years and five years among them;

(c) the reasons for such delays in deciding these cases; and

(d) the steps taken/proposed to be taken by the Government for the expeditious disposal of these cases ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) and (b) The pendency of cases of the Supreme Court as on 1.7.1996 was as follows :

	Admission on Matters	Regular Matters
No. of cases pending	9932	18,639
20 years and over	2	63
15 to 20 years	30	1259
10 to 15 years	225	3211
5 to 10 years	1223	5291

(c) and (d) The pendency of cases in the Supreme Court is due to various complex factors and the Supreme Court has taken various steps to expedite the disposal of cases, which include more practical categorisation and classification of cases, stabilisation of Benches, avoiding delisting as far as possible and ensuring non-accumulation of defective matters and prompt listing of cases.

[English]

Banks request for Merger

137. LT. GEN. SHRI PRAKASH MANI TRIPATHI :
DR. LAXMINARAYAN PANDEY :

Will the Minister of FINANCE be pleased to state :

(a) whether the seven associate banks of the State Bank of India have requested the Reserve Bank of India/Government for their cross merger to constitute the largest national level bank, next only to the SBI;

(b) if so, the details thereof; and

(c) the reaction of the RBI/Government thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No such request has been received from the managements of the seven Associate Banks of State Bank of India.

(b) and (c) Do not arise.

[Translation]

Setting up Industries during the 9th Plan

138. SHRI BUDHSEN PATEL : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government intend to include any Scheme of setting up of an industry in the Ninth Five Year Plan in the backward districts in the country particularly in Madhya Pradesh,

(b) whether any survey has been conducted or likely to be conducted in this regard;

(c) if so, details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) The Growth Centre Scheme, under the Department of Industrial Policy & Promotion, which was introduced in 1988, is designed for the setting up of Growth Centres which would attract industry. The scheme covers all the States in the country and is not specific to Madhya Pradesh. It has been proposed by the Ministry of Industry that this scheme should be included in the 9th Five Year Plan.

Under the Growth Centre Scheme, the Growth Centre projects to be set up in backward Districts, selected by the Planning Commission are located at (i) Borai in Durg District; (ii) Ghainpuyra in Guna District; (iii) Ghriongi in Bhind District; (iv) Kheda in Dhar District; (v) Siltara in Raipur District and (vi) Satlapura in Raisen District.

There is however no survey conducted or being conducted by the Department of IPP.

[English]

Short Term Borrowings of Financial Institutions

139. SHRI K.P. SINGH DEO : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India (RBI) has a proposal to lift interest rate and maturity restraints of short term borrowings of financial institutions;

(b) if so, the reasons therefor; and

(c) the time by which it is likely to be implemented ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Reserve Bank of India has reported that there is at present no proposal to lift interest rate and maturity restrictions on short-term borrowings of financial institutions.

(b) and (c) Do not arise.

Custom Revenue Collection

140. SHRI MADHAVRAO SCINDIA : Will the Minister of FINANCE be pleased to state :

(a) the amount of customs/excise revenue collected during 1996-97 so far and the extent of revenue collected as arrears of dues for the previous years alongwith the comparative figures for 1995-96 and 1994-95;

(b) the amount of revenue locked up in litigation; and

(c) the amount estimated to have been lost due to under-invoicing of imports in connivance with officials concerned and how many such cases have been detected this year indicating the amount of duty involved therein ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The information is being collected and will be laid on the Table of the House

Foreign Direct Investment

141. SHRI V. PRADEEP DEV : Will the Minister of INDUSTRY be pleased to state

(a) the names of the first 7 countries who are India's direct partners in terms of foreign direct investment;

(b) the names of the foreign countries whose interest in India has picked up during the last six months and who are interested to invest in India in a major way;

(c) whether India and Japan still had a long way to go in establishing a strong economic ties with each other;

(d) if so, whether the Government propose to go in further for reducing the tariff rates, deregulations and further liberalising the country's economy to attract foreign investors; and

(e) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) During the period from 1991 to 1996 the amount of foreign direct investment approved by the Government to 7 Top Countries is as under :

Name of the country	Amount (Rs. in Million)
U.S.A.	251945.31
U.K.	52434.65

1	2
Mauritius	47968.70
Japan	43237.79
Israel	41635.19
Germany	37181.17
Korea (South)	37166.81

(b) During the last six months also, these above mentioned countries have shown their increased interest in Indian investment climate.

(c) In 1991 the Japanese Investment level was Rs. 527.10 million which has increased since then and gone upto Rs. 14883.49 million in 1996. This shows that Japan has been continuously strengthening its economic ties with India.

(d) and (e) The endeavour of the Government is towards the goal of bringing India's tariffs in accordance with world level. An Independent Tariff Commission is being appointed for this purpose. Government constantly reviews the investment policy so as to make it increasingly competitive and investor friendly.

Export of Dairy and its Products

142. SHRI BHAKTA CHARAN DAS : Will the Minister of COMMERCE be pleased to state

(a) whether India has a great potential for export of dairy export products;

(b) if so, the details thereof;

(c) whether the chief of New Zealand Dairy Board has made certain remarks on entering of India into the dairy export market;

(d) if so, the details thereof; and

(e) the reaction of the Government thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Independent studies have indicated that India has achieved near self-sufficiency in the milk production. Currently exports of dairy products are permitted against a licence except when exported as branded products in consumer packs not exceeding 5 kgs. with a view to maintain India's presence in the international market, export of dairy products has been permitted only in small quantities.

(c) and (d) There were some press reports in January, 1997 regarding the observations made by Sir Dryden Spring, Chairman, New Zealand Dairy Board wherein he had stated that "there are some in India who feel that India has great potential for dairy exports but I think it would be wise to be cautious before coming to such conclusion for a number of reasons "

(e) As a matter of policy, export of mass consumption items are permitted only after meeting the domestic demand

Therefore, whenever there is a surplus of dairy products, exports are permitted

Opium Growers of Rajasthan

143. SHRIMATI VASUNDHARA RAJE : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the losses suffered by the Opium growers in Jhalawad and other districts of Rajasthan since 1994-95 due to hailstorm and other natural calamities;

(b) if so, the estimated losses, so suffered;

(c) whether the 'pattas' of some opium growers particularly small farmers have been cancelled in Jhalawad districts;

(d) if so, the reasons therefor; and

(e) the steps taken to assist the opium growers in that district for their rehabilitation ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Madam.

(b) Consequent to the damage to poppy crops in Rajasthan during the crop year 1994-95, 48 villages were declared to have suffered "partial damage" and 79 villages were declared "extensively damaged" under the licensing policy for the crop year 1995-96

During the crop year 1995-96 also reports regarding damage to poppy crops were received in the State of Rajasthan but the damage was less as compared to the crop year 1994-95.

As for the crop year 1996-97, poppy crops have not matured as yet.

(c) Based on their performance during the crop year 1994-95, *pattas* of 3487 cultivators were not renewed during the crop year 1995-96 in Jhalawad District as the said cultivators failed to tender the prescribed Minimum Qualifying Yield for licence.

While determining the eligibility for licence the size of an individual cultivator's holding is no criterion.

In the crop year 1996-97 on licence for poppy cultivation has been cancelled on account of mere low yield.

(d) As stated in para 'c' above the concerned cultivators in District Jhalawad lost their licences in view of their failure to tender the prescribed Minimum Qualifying Yield of 46 kgs. or 30 kgs/hectare as the case may be for the crop year 1995-96. The Minimum Qualifying Yield for the said crop year was fixed at 46 kgs./ hectare whereas a lower Minimum Qualifying Yield of 30 kgs./hectare was fixed for villages declared to have suffered damage.

(e) No rehabilitation by way of grant of licence beyond the provisions of the Opium Licensing Policy is provided for by the Central Government since it would encourage leakage of opium into illicit channels.

Monetary compensation if any, can be provided for, by the concerned State Governments.

Export of Pearls

144. SHRI RAJENDRA AGNIHOTRI : Will the Minister of COMMERCE be pleased to state :

(a) the total value of Pearls exported during each of the last three years;

(b) whether the Government have formulated any scheme for the development of this industry with a view to increase the export;

(c) if so, the details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The total value of Pearls exported during the last three years is as follows :

(Value in US \$ Million)

Item	93-94	94-95	95-96
Pearls	3.73	4.95	5.45

Source : DGCI&S

(b) and (c) In order to provide incentive for export of pearls, replenishment licences are issued at the rate of 65% of the FOB value of pearls (real ore/cultured) to the exporters. The Government also has taken a number of steps to boost exports of pearls which include fine tuning of Exim Policy to ensure easy availability of raw materials at internationally competitive prices and encouragement to exporters to participate in international fairs/exhibition-cum-sale for promotion of Indian jewellery

(d) Does not arise.

Foreign Debt

145. SHRI B. L. SHANKAR :
SHRI SYDAIAH KOTA :
SHRI AJAY MUKHOPADHYAY :

Will the Minister of FINANCE be pleased to state :

(a) the amount of foreign debt on India as on December 31, 1996;

(b) the amount of foreign debt taken from different countries during each of the last three years ending on March 31, 1996;

(c) the amount which was repaid and the interest paid thereon separately during the above period; and

(d) the steps taken by the Government to minimise the foreign debt burden on the country ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The latest estimates for

foreign debt outstanding is for March 31, 1996. The debt outstanding for the last three years was as follows :

(US dollar millions)

31.3.94	31.3.95	31.3.96
92,695	99,008	92,199

The total foreign debt cannot be quantified by country of origin since there are components, e.g. multilateral debt which by definition are not bilateral. In addition, bond holdings have an investor profile spread across countries. They also change hands when they are traded at exchanges.

(c) The total amount of principal repayment and interest payments during the last three years is as under :

(US dollar millions)

	1993-94	1994-95	1995-96
Principal Repayments	4,783	6,825	8,063
Interest payments	3,818	4,099	4,315
Total Debt Servicing	8,601	10,924	12,378

(d) The main features of debt management strategy followed by the Government includes sustaining a high growth rate of exports, encouraging non-debt creating capital inflows and keeping the maturity structure as well as the total amount of commercial debt under control. As a result, debt service ratio has come down from the high of 35.25 per cent in 1990-91 to 25.70 per cent in 1995-96. Debt to GDP ratio has also come down from the peak of 41.00 per cent in 1991-92 to 28.71 per cent in 1995-96.

[Translation]

Amendment in R.P. Act, 1950

146. SHRI BRIJ BUSHAN TIWARI : Will the Minister of LAW AND JUSTICE be pleased to state

(a) whether the Government are contemplating to bring any Bill to repeal the Section 77 of Representation of the People Act, 1950 in order to conduct free and fair elections;

(b) if so, the details thereof, and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) Section 77 does not exist in Representation of the People Act, 1950. A proposal to make certain amendments in the section 77 of the Representation of the People Act, 1951, is, however, amongst the proposals on electoral reforms which are being discussed by Government with the political parties.

[English]

Misuse of Gold Import Policy

147. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that a large quantity of gold are being brought into the country under the new gold import policy and reaching the hands of smugglers through couriers;

(b) if so, the steps taken to prevent misuse of Gold Import Policy by the smugglers; and

(c) the quantity and value of gold imported through Calicut Airport after the introduction of the liberalised Gold Import Policy ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The Government have increased the limit of gold which can be brought by Non Resident Indians after six months' stay abroad, and on payment of appropriate duty in foreign exchange, from 5 kg. to 10 kg. There is no restriction in the import policy or under any Customs Notification on subsequent sale or transfer of the gold after its clearance on payment of duty

(c) 12.80 tonnes gold valued at Rs. 640.55 crores was imported through Calicut Airport from 1/1/97 to 15/2/97.

Unincorporated Companies

148. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state

(a) whether the Government have issued ordinance to curb unincorporated companies comprising partnership firms and combination of individuals seeking funds from public at higher rates of interest;

(b) if so, the reasons therefor, and

(c) the extent to which this is likely to help in companies and firms and the time by which this ordinance will take effect ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Several finance companies and unincorporated bodies have reportedly failed to repay the deposits received from depositors who have been tempted by the attractive returns and incentives offered. In view of the need to take urgent steps to further regulate the activities of such companies and unincorporated bodies in order to protect the interests of depositors the Reserve Bank of India (Amendment) Ordinance, 1997 to further amend the Reserve Bank of India Act, 1934 has been promulgated by the President on 9th Jan. 97. The amendments, *inter-alia*, provide that with effect from 1st April, 1997 the un-incorporated bodies may accept deposits from any person, other than their relatives, only for personal use and not for lending or business purposes. The new provisions are expected to lead to the emergence of stronger financial companies which can better subserve the public good

Indo-British Coal Forum

149. SHRI K. P. SINGH DEO : Will the Minister of COAL be pleased to state :

(a) whether the Government have launched a Indo-British Coal Forum;

(b) if so, since when and the purpose behind launching this forum; and

(c) what are the other steps taken to expand Indo-British trade ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Yes, Sir. A Memorandum of Understanding between Govt. of India and United Kingdom of Great Britain and Northern Ireland was signed on 11th Jan., 1997 for launching an Indo-British Coal Forum. The broad objective of launching the coal forum is to broaden the scope of cooperation between coal related industries of the two countries through the creation of a productive partnership for peaceful purposes and for mutual benefit.

(c) It is Government's constant endeavour to improve trade relations with all countries including United Kingdom. Some of the steps in this direction include participation in international trade fairs, intensified exchange of business delegations, supply of necessary information and extending all possible facilities to the commercial organisations, increased focus on thrust items and the promotional activities of Indo-British Partnership.

Foreign Equity in Joint Venture

150. SHRI MADHAVRAO SCINDIA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have further relaxed the terms of foreign investments in respect of joint ventures in certain groups of industries and extended automatic approval in respect of food processing and electronic entertainment upto 51% foreign equity, with effect from January, 1997;

(b) if so, the precise economic reforms announced on new year eve, and

(c) the reactions and responses of industry thereto ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) The Govt. have recently vide Press Note No. 2 (1997 Series) dt. 17.1.97 expanded the list of industries for automatic approval for foreign equity investment. Sixteen more industries have been included in the Annex III for allowing automatic approval upto 51% foreign equity participation. Another list of nine industries have been issued wherein automatic approval upto 74% foreign equity participation is allowed. However electronic entertainment industry is not covered under the automatic approval scheme.

The Govt. have also vide Press Note No. 3 (1997 Series) dt. 17.1.97 issued a set up guidelines for consideration of foreign direct investment proposals by the foreign Investment Promotion Board.

Trade with Latin American Countries

151. SHRI BHAKTA CHARAN DAS :
SHRI SULTAN SALAHUDDIN OWAISI :

Will the Minister of COMMERCE be pleased to state :

(a) whether India's trade with Latin American countries has doubled in the last few years;

(b) if so, the details thereof;

(c) whether India has signed any trade agreement with Trinidad and Tobago recently;

(d) if so, the details of areas where this bilateral agreement has been signed; and

(e) and how far this agreement is likely to boost the trade with Latin American countries ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) India's bilateral trade with Latin American countries rose from Rs. 1159.04 Crore in 1991-92 to Rs. 3137.23 Crore in 1995-96, registering a growth of 170% within four years. The trade statistics of Indo-Latin American Trade for five years are as follows :

(Values in Rs. Crore)

Year	Exports	Imports	Bal	of Trade	Total Trade
1991-92	304.41	854.63	(-)	550.22	1159.04
1992-93	479.44	915.84	(-)	436.40	1395.28
1993-94	757.58	1001.04	(-)	243.46	1758.62
1994-95	1125.48	2449.73	(-)	1324.25	3575.21
1995-96	1260.12	1877.11	(-)	616.99	3137.23

(c) to (e) A Trade Agreement between India and Trinidad and Tobago was signed on 24th January, 1997, during the visit of the Prime Minister of Trinidad and Tobago to India. The agreement signed was of a general nature and aims at providing the climate and policy support necessary for promoting trade and economic cooperation between the two countries.

National Judicial Commission

152. SHRIMATI VASUNDHARA RAJE : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government have a proposal to set up a National Judicial Commission;

(b) if so, the main objective of setting up of such Judicial Commission;

(c) whether such Commissions are likely to be set up at the State level also; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) At present, there is no proposal under consideration of the Government for the setting up of a National Judicial Commission.

(b) to (d) Do not arise.

Master Plan for Public Sector Undertakings

153. SHRI B. L. SHANKAR : Will the Minister of INDUSTRY be pleased to state :

(a) the number of sick Public Sector Undertakings in the country as on December 31, 1996 indicating the amount involved in them;

(b) the details of the master plan for reviving Public Sector Undertakings under the department of Heavy Industry; and

(c) by when the master plan is likely to be effective in reviving the Public Sector Undertakings ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) A Statement is enclosed.

(b) and (c) The strategies formulated for the Public Enterprises under the Department of Heavy Industry include:

(i) Permitting BHEL, which has potential to become a global giant, to access the investment fund out of the disinvestment proceeds, to enable it to offer internationally competitive financial and credit packages;

(ii) Formation of Joint Ventures for one or more of their units in order to enhance the competitiveness and viability of the enterprises by infusion of technology, modern management techniques and marketing strength;

(iii) Creation of a revolving fund from out of 10% of the disinvestment proceeds for infusion of funds in accordance with approved rehabilitation schemes to facilitate quick implementation of turn-around plans.

Revival & restructuring of Public Sector Enterprises in the context of what has been indicated above, is a continuous process.

Statement

As per information received from the Board for Industrial & Financial Reconstruction (BIFR), as on 31.12.96, the Board had received 190 references from the Central and State sick Public Sector Undertakings out of which 145 (61 Central and 84 State PSUs) were registered by the Board. The amount involved in these Public Sector Undertakings is as under :

PSUs	Net worth (Rs. in crs.)	Accumulated losses (Rs. in crs.)
Central (61)	(-) 4165 51	(-) 3296 59
State (84)	(-) 1572.00	(-) 12095 45
145	(-) 5737 51	(-) 15392 04

Abid Hussain Committee

154. SHRI BRIJ BHUSHAN TIWARI :
SHRI AJAY CHAKRABORTY :
SHRI PRAMOD MAHAJAN :
SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Abid Hussain Committee have submitted its report to the Government;

(b) if so, the main recommendations of the report;

(c) the details of the recommendations which have been accepted by the Government;

(d) the details of the recommendations which have not been accepted alongwith the reasons therefor; and

(e) the steps taken to safeguard the interests of Small Scale Industrial units ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir

(b) The main recommendations of the Committee relate to the reservation policy for the small scale industries, raising the investment limit for SSI sector, mechanism for promotion of small scale industries, focus on clusters, restructuring financial support for SSI Sector, integrated support services, support for technology development in small scale enterprises, infrastructure development in clusters and institutional and legal innovation

(c) to (e) Various recommendations of the Committee are being examined by the Government. Recently, the Government has taken a decision to raise the investment limit for plant and machinery for small scale sector to Rs. 3 crores and that of the tiny sector from Rs. 5 lakhs to Rs. 25 lakhs, which is one of the recommendations of the Abid Hussain Committee.

Loan Under P.M.R.Y.

155. SHRI BUDH SEN PATEL : Will the Minister of FINANCE be pleased to state :

(a) the number of entrepreneurs provided loans under the Prime Minister's Rozgar Yojana in the country particularly in tribal areas of Madhya Pradesh during the last three years and the number of SCs/STs and O.B.C. entrepreneurs among them;

(b) the number of educated unemployed persons recommended by the District Industrial Centres but have not yet been sanctioned loans and the reasons therefor, and

(c) the action taken/being taken to ensure that no delay take place in providing loans to these people in future ?

THE MINISTER OF FINANCE (SHRI CHIDAMBARAM) : (a) to (c) The details of loans sanctioned and disbursed by banks in Madhya Pradesh including to SC/ST and OBC under PMRY scheme during the last three years as furnished by Reserve Bank of India (RBI) are given in the enclosed Statement. RBI has, however, reported that no separate data in respect of tribal areas of Madhya Pradesh is available with them.

RBI has further reported that sanction and disbursement or loans by banks is a continuous process. Applications remain pending for various reasons such as non-completion of pre-sanction formalities, sponsoring of applications in bunching etc. Under the extant guidelines of RBI, banks are required to dispose of applications upto a credit limit of Rs. 25,000/- within a fortnight and those over Rs. 25,000/- within 8 to 9 weeks. In order to tackle the problems of delays in sanction and disbursement of loans, banks have been advised that district level co-ordinators of banks should enquire into the causes of major irregularities. Reports are required to be submitted to the district PMRY Committee and the Task Force Committee for review and also for recommending action at appropriate levels.

Statement

(Amount Rs. in lakhs)

Programme Target Year	No of applns. recd	Total loans sanctioned		Total loans Disbursed		Loans sanctioned to SC/ST out of total sanctioned		Loan Disbursed to SC/ST out of total disbursed		Loans sanctioned to OBC out of total sanctioned		Loan disbursed to OBC out of total disbursed		
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1993-94	2710	5919	2654	1877.36	1765	1107.66	482	298.66	138	83.39	393	269.20	229	108.24
1994-95	20000	39018	19839	12361.27	10796	6206.07	2644	1366.58	1307	675.00	3279	1854.75	1975	1083.40
1995-96	27050	58001	28082	18516.62	17071	10241.09	4617	2860.12	2633	1338.27	5950	3629.48	3048	1767.36
1996-97 (Upto Sept., 1996)	27050	13459	2293	1501.60	524	311.03	266	151.66	74	39.18	220	149.43	64	95.57

Indiscriminate Liberalisation

156. SHRI B.K. GADHVI : Will the Minister of INDUSTRY be pleased to state :

(a) whether there has been indiscriminate liberalisation attracting the multinational companies in the country, and

(b) if so, the areas in which the Government propose to restrict the entry of multinational companies in the country?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Industrial Growth is directly linked to availability of infrastructure like power, telecommunications, roads, railways, oil, ports etc. The Government is therefore, committed to invite substantial investment in this sector on

high priority through various fiscal incentives in the budget which will make investments in this sector more attractive to both domestic and foreign investors.

The Government is committed to sustain a 12% annual growth in the Industrial Sector and a GDP growth rate of 7% over the next 5 years. This would require induction of massive capital and modern technology. Foreign Direct Investment is also required to bridge the estimated gap of 5% to 6% gap between domestic savings rate and the required rate of investment to attain the target growth rates. The need and capacity to absorb US \$ 10 billion FDI annually is therefore well recognised. To achieve this objective the Foreign Investment Promotion Board has been revamped to make decision making quicker and more transparent.

From the above, it would clearly be seen that there is no indiscriminate liberalisation to attract MNCs in the country.

Currency Notes

157. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that the Reserve Bank of India (RBI) has clarified that the new 100 rupee note is distinct from 500 note;

(b) whether to make a clear distinction between both the notes for an illiterate, the colour, the breadth, size and pictures of Mahatma Gandhi should be clearly visible to the naked eye;

(c) if so, whether the Government propose to reconsider the problem and ensure that the illiterates are not misled; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir

(b) This aspect has been kept in mind while designing the new notes

(c) and (d) Do not arise

Opening of New Branches of Nationalised Banks in U.P.

158. SHRI D. P. YADAV : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of nationalised banks functioning in Uttar Pradesh particularly in Sambhal;

(b) whether the present number of banks is not sufficient to meet the needs of people of rural areas; and

(c) if so, the steps taken by the Government to open new branches of nationalised banks in the State particularly in Sambhal ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The information is being collected and will be laid on the Table of the House

Motor Accident Claims

159. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news item captioned "CJ's compensation formula for motor accident claims" appearing in the *Financial Express* dated February 5, 1997;

(b) if so, the facts and details thereof; and

(c) the action taken by the Government thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir

(b) The news item relates to formulation of a Structured Compensation Formula by the Chief Justice of India for settlement of third party fatal claims arising out of motor accidents. It also points out that the formula is only on interim arrangement

(c) Some anomalies were noticed in the existing Structured Compensation Table contained in the Motor Vehicles Act, 1988, as amended from time to time and Government will take necessary corrective action to rectify these anomalies.

Welfare Board at Lal Matia Mines

160. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of COAL be pleased to state :

(a) whether the Union Government provide a royalty of Rs 70 crore to the State Government of Bihar for Lal Matia Coal Mine (Bihar) but 10 percent of this royalty which should be spent on welfare activities in Godda District is not being spent since there is no Welfare Board as constituted for the coal mines of Dhanbad district; and

(b) if so, the steps taken by the Government to constitute such a Board there soon ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) As per information received from Coal India Limited (CIL), for Lalmata Coal Mine, Eastern Coalfields Limited (ECL), has paid the following royalty to Government of Bihar during the last three years

(Figures in Crores of Rs.)

Year	Amount of Royalty
1993-94	10.73
1994-95	23.29
1995-96	45.61
1996-97 (Upto Jan '97)	34.37

Utilisation of the amount collected by way of royalty by the State Government is done as per the decisions taken by it. As such, no information regarding the percentage of the royalty collected for Rajmahal Coal on welfare activities in Godda district is available with the Government of India in the Ministry of Coal

CIL has no system of setting up of welfare boards for each coal producing district of the country. However, the ECL has its own Welfare Board consisting of management representatives and representatives of Central Trade Unions to look after the welfare activities of the company as a whole.

Pending Road Accidents Claims

161. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state :

(a) the number and amount of claims pending with National Insurance Co. Ltd. relating to road accident in Maharashtra for the last three years;

(b) the details of claims made and settled each year and their pending position;

(c) the amount of compensation paid against the claims settled during the said period, year-wise; and

(d) the steps taken by the Government for speedy settlement of such cases ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Excise Duty on Rosin

162. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have removed excise Duty on Rosin produced by units without use of power *vide* Notification No. 28/96 dated 11.9.96 and thus providing relief to hundreds of tiny cottage units;

(b) if so, whether these units would still, continue to be under excise Net as Turpentine oil received (12% to 13%) in the same process along with Rosin is not included in the Notification, perhaps inadvertently;

(c) whether this has been brought to the notice of the Government requesting for suitable amendment in the said notification to provide intended relief to the large number of cottage units producing Rosin without use of power; and

(d) the details of action taken in this regard to provide relief to the cottage industrial units operating without power ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) to (d) The Government have received representations for exemption from excise duty on Turpentine oil, manufactured without the aid of power, and distilled out alongwith Rosin. The representations are being examined as part of the proposals for the Budget, 1997-98.

RBI's Guidelines for Opening of Branches

163. DR. ARUN KUMAR SARMA :
DR. PRABIN CHANDRA SARMA :

Will the Minister of FINANCE be pleased to state—

(a) whether the Reserve Bank of India issued guidelines about a year back to public sector banks for opening branches of their banks all over the country for every 12,000 people;

(b) if so, the number of bank branches opened in Assam by Canara Bank, Union Bank of India, Oriental Bank of Commerce and Corporation Bank since those guidelines were issued;

(c) whether the Bank Employees Committee of Assam Jatiyatabadi Yuba Chatra Parishad is agitating over non-expansion of banking network in economically backward state like Assam, thereby defeating the very idea with which banks were nationalised in 1969; and

(d) if so, the reaction of the Government thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The aim of Branch Licensing Policy, 1985-90 of Reserve Bank of India was to achieve a population coverage of 17,000 (1981 census) per bank office in rural/semi-urban areas as also to eliminate wide spatial gaps in the availability of banking facilities so that a rural branch was available within a distance of 10 kms. As on the last Friday of March 1996, the average population per bank office for the country is 14,500.

(b) to (d) The information is being collected and will be laid on the Table of the House.

Loan Provided to Orissa Under PMRY

164. SHRI BHAKTA CHARAN DASS : Will the Minister of FINANCE be pleased to state :

(a) the number of applications sanctioned for providing loan under P.M.R.Y. during 1996-97 in Orissa particularly in Kalahandi District;

(b) the number of applicants out of them who have been provided loan under the scheme;

(c) whether some of the applicants whose applications were sanctioned have been denied loans;

(d) if so, the reasons therefor; and

(e) the time by which loan is likely to be provided to them ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e) As reported by Reserve Bank of India (RBI) the loans sanctioned and disbursed under Prime Minister's Rozgar Yojana (PMRY) during 1996-97 as at the end of December, 1996 in Orissa were as indicated below :

(Rs. in Lakhs)

Period	Applications Sanctioned		Applications Disbursed	
	No.	Amount	No.	Amount
As at end of December, 1996	1771	1283.06	844	380.53

Reserve Bank of India has further reported that the data reporting system does not generate information district-wise. The RBI has further reported that no specific instances of

loans sanctioned but denied disbursement have been reported to them.

[Translation]

New Pension Scheme to Widows of Allahabad Bank

165. SHRI DINESH CHANDRA YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the Allahabad Bank has implemented the new pension scheme and started paying pension to widows of its employees;

(b) if so, the reasons for not providing pension to the dependent widows of the employees of the bank who retired from the year 1989 to 1990 under the new pension scheme;

(c) the branch-wise number of applications received by the authorities particularly of Faizabad, Sultanpur and Kanpur branches of Allahabad Bank from the dependents of the retired employees in this regard during the last six months; and

(d) the reasons for not clearing these applications so far ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) The information is being collected and to the extent available, will be laid on the Table of the House.

[English]

Free Licence Policy

166. DR. T. SUBBARAMI REDDY :
SHRI CHHITUBHAI GAMIT :

Will the Minister of INDUSTRY be pleased to state :

(a) whether his Ministry has proposed a new free licensing regime for the sugar industry;

(b) whether the proposal has been approved by the Government ;

(c) if so, the details thereof alongwith criteria worked out for giving approval to new sugar project;

(d) whether his Ministry has also felt that the current level of 1700 TCD is uneconomical and inflates costs;

(e) if so, the details thereof;

(f) whether the Indian Sugar Mills Association has expressed its view against the policy; and

(g) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (g) At present there are 14 industries under compulsory licensing. The Government has taken up review of licensing of industries under compulsory licensing. The sugar industry is one of these industries. The Government has not yet taken any decision in this regard. However, the Government has recently issued guidelines for considering

applications for industrial licences for sugar factories; the details are enclosed as Statement. A representation from the Indian Sugar Mills Association has been received against the new guidelines issued by the Government. They have raised objections regarding the distance between a new sugar unit and an existing sugar unit which has been reduced from 25 kms to 15 kms.

Statement

Government of India

Ministry of Industry, Department of Industrial Policy and Promotion

PRESS NOTE NO. 1
(1997 SERIES)

Subject : *Guidelines for considering applications for industrial licences for sugar factories*

The Government of India have reviewed the guidelines for licensing of new and expansion of existing sugar factories issued vide this Ministry's Press Note No. 16 (1991) dated 8.11.91. The existing guidelines need revision in order to take into account the changes in the business scenario following economic liberalisation, the need for introducing simplified and transparent procedures and the technological changes that have taken place in the sugar industry over the years. In supersession of the aforesaid Press Note, Government have now formulated the following revised guidelines :

- (i) New Sugar factories will continue to be licensed for a minimum economic capacity of 2500 tonnes cane crushed per day (TCD). There will not be any maximum limit on such capacity.
- (ii) Preference in licensing would be given to the proposals involving larger capacity, modern technology and development of integrated complexes producing value added products and co-generation of power.
- (iii) For the consideration of application, a revenue district will be taken as the unit. In case more than one application is received for any unit of operation, other things being equal, priority will be given to the application received earlier.
- (iv) Licences for new sugar factories will be issued subject to the condition that the distance between the proposed new sugar factory and an existing/ already licensed sugar factory should be not less than 15 kilometres.
- (v) The basic criterion for grant of licences for new sugar units would be cane availability or the potential for the development of sugarcane or both.
- (vi) Other things being equal, preference in licensing will be given to the proposals from the Growers' Cooperative Societies. However, industrial licence issued to such a cooperative cannot be transferred to any other entity.

- (vii) All applications for expansion of the existing factories will be cleared automatically.
- (viii) Applications for grant of industrial licences for the establishment of new sugar factories as well as expansion of existing units should be submitted to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion, Ministry of Industry, New Delhi in Form IL, along with the prescribed fee of Rs. 2500/-. The applications received for grant of licences would be referred by SIA to the Department of Food and the concerned State Governments/UTs for their comments. If no comments are received from either Department of Food or the concerned State Governments/UTs within one month after their comments are asked for, it shall be deemed that they have no comments to offer. The Licensing Committee would thereafter consider the application for industrial licence and make appropriate recommendations.

2. The procedure and guidelines, as given above, are brought to the notice of the entrepreneurs for their information and guidance.

(Ashok Kumar)

Joint Secretary to the Government of India

F.No. 10(20)/96-LP New Delhi, the 10th January, 1997.

Forwarded to the Press Information Bureau for giving wide publicity to the contents of the above Press Note

Press Information Officer,
Press Information Bureau,
New Delhi

Disinvestment Commission

167. SHRI MADHAVRAO SCINDIA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Disinvestment Commission has evolved a transparent system or mechanism for disinvestments as contemplated in the current year Budget;

(b) if so, the details; and

(c) the extent of disinvestment so far secured ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) The Disinvestment Commission has submitted its Report on 20.2.97.

12.01 hrs.

INTRODUCTION OF MINISTERS

THE PRIME MINISTER (SHRI H.D. DEVE GOWDA) : Sir, with your permission, I would like to introduce to you and through you to this august House my colleagues :

- | | |
|---------------------------|--|
| Shri Saifuddin Soz | – Minister of Environment and Forests |
| Shri M.P. Veerendra Kumar | – Minister of State of the Ministry of Finance |

12.02 hrs.

PAPERS LAID

Review on the working of and Annual Report of the National Small Industries Corporation Ltd., New Delhi for the year 1995-96 etc.

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : Sir, I beg to lay on the Table :

(1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

- (a) (i) Statement regarding Review by the Government of the working of the National Small Industries Corporation Limited, New Delhi, for the year 1995-96
- (ii) Annual Report of the National Small Industries Corporation Limited, New Delhi, for the year 1995-96, alongwith Audited Accounts and comments of the Comptroller and Audited General thereon.

[Placed in Library. See No. LT 1328/97]

(b) (i) Statement regarding Review by the Government of the working of the Tannery and Footwear Corporation of India Limited, Kanpur, for the year 1995-96.

(ii) Annual Report of the Tannery and Footwear Corporation of India Limited, Kanpur, for the year 1995-96, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

(2) Statement (Hindi and English versions) alongwith reasons for delay in laying the papers mentioned at (b) of item (1) above.

[Placed in Library. See No. LT 1329/97]

(3) (i) A copy of the Annual Report (Hindi and English versions) of the National Productivity Council, New Delhi, for the year 1995-96, alongwith Audited Accounts.

(ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the National Productivity Council, New Delhi, for the year 1995-96.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 1330/97]

- (5) (i) A copy of the Annual Accounts (Hindi and English versions) of the Khadi and Village Industries Commission, Mumbai, for the year 1995-96, together with Audit Report thereon, under sub-section (4) of section 23 of the Khadi and Village Industries Commission Act, 1956.
- (ii) Statement (Hindi and English versions) regarding Review by the Government of the Audited Accounts of the Khadi and Village Industries Commission Mumbai, for the year 1995-96.

[Placed in Library. See No. LT 1331/97]

- (6) A copy of the Annual Report (Hindi and English versions) of the Controller-General of Patents, Design and Trade Marks for the year 1995-96, under section 155 of the Patents Act, 1970.

[Placed in Library. See No. LT 1332/97]

- (7) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute for Entrepreneurship and Small Business Development, New Delhi, for the year 1995-96, alongwith Audited Accounts.
- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the National Institute for Entrepreneurship and Small Business Development, New Delhi, for year 1995-96.

- (8) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (7) above.

[Placed in Library. See No. LT 1333/97]

Notification under Section 31 of the Securities and Exchange Board of India Act, 1992 etc.

THE MINISTER OF FINANCE (SHRI P CHIDAMBARAM) : Sir, I beg to lay on the Table :

- (1) A copy of the SEBI (Foreign Institutional Investors) (Second Amendment) Regulations, 1996 (Hindi and English versions) published in Notification No. S.O. 799 (E) in Gazette of India dated the 19th November, 1996, under Section 31 of the Securities and Exchange Board of India Act, 1992.

[Placed in Library. See No. LT 1334/97]

- (2) A copy of the Securities Contracts (Regulation) Amendment Rules, 1996 (Hindi and English versions) published in Notification No. G.S.R. 581 (E) in Gazette of India dated the 23rd December, 1996, under sub-section (3) of the section 30 of the Securities Contracts (Regulation) Act, 1956.

[Placed in Library. See No. LT 1335/97]

- (3) A copy of the Cost Audit (Report)) Rules, 1996 (Hindi and English versions) published in Notification No. G.S.R. 511 (E) in Gazette of India dated the 5th November, 1996, under sub-section (3) of section 642 of the Companies Act, 1956.

[Placed in Library. See No. LT 1336/97]

- (4) A copy of the Notification No. G.S.R. 583 (E) (Hindi and English versions) published in Gazette of India dated the 23rd December, 1996 together with an explanatory memorandum making certain amendments in the Notification No. 10/96-Service Tax dated the 26th November, 1996, under sub-section (4) of section 94 of the Finance Act, 1994.

[Placed in Library. See No. LT 1337/97]

- (5) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962 :

G.S.R. 576 (E) and G.S.R. 577 (E) published in Gazette of India dated the 19th December, 1996 together with an explanatory memorandum extending the period for fulfilment of export obligation or regularisation of shortfall in export obligation.

[Placed in Library. See No. LT 1338/97]

- (6) A copy each of the following Notifications (Hindi and English versions) under sub-section (2) of section 38 of the Central Excises and Salt Act, 1944 :

- (i) G.S.R. 465 (E) published in Gazette of India dated the 9th October, 1996 together with an explanatory memorandum containing corrigendum to Notification No. 38/95-CE dated the 26th December, 1995.

- (ii) G.S.R. 556 (E) published in Gazette of India dated the 5th December, 1996 together with an explanatory memorandum seeking to extend inter warehousing movement of Mineral Oil products without payment of duty to and from Trivendrum.

- (iii) The Central Excise (Tenth Amendment) Rules, 1996 published in Notification No. G.S.R. 584 (E) in Gazette of India dated the 26th December, 1996 together with an explanatory memorandum.

[Placed in Library. See No. LT 1339/97]

- (7) A copy each of the following Notification (Hindi and English versions) under section 296 of the Income-tax Act, 1961 :

- (i) The Income-tax (Tenth Amendment)

Rules, 1996 published in Notification No. S.O. 900 (E) in Gazette of India dated the 26th December, 1996.

- (ii) The Income-tax (Eleventh Amendment) Rules, 1996 published in Notification No. S.O. 901 (E) in Gazette of India dated the 26th December, 1996.
- (iii) The Income-tax (Second Amendment) Rules, 1997 published in Notification No. S.O. 56 (E) in Gazette of India dated the 22nd January, 1997.

[Placed in Library. See No. LT 1340/97]

- (8) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Investment Centre, New Delhi, for the year 1995-96, alongwith Audited Accounts.
- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Indian Investment Centre, New Delhi, for the year 1995-96.

[Placed in Library. See No. LT 1341/97]

- (9) A copy of the Annual Accounts (Hindi and English versions) of the Securities and Exchange Board of India, Mumbai, for the year 1995-96, together with Audit Report thereon, under sub-section (4) of section 15 of the Securities and Exchange Board of India Act, 1992.

- (10) Statement (Hindi and English versions) showing reasons for delay in laying papers mentioned at (9) above.

[Placed in Library. See No. LT 1342/97]

Review on the working of and Annual Report of the Export Credit Guarantee Corporation of India Ltd., Mumbai for 1995-96 etc.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) Sir, I beg to lay on the Table :

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :
 - (i) Review by the Government of the working of the Export Credit Guarantee Corporation of India Limited, Mumbai, for the year 1995-96.
 - (ii) Annual Report of the Export Credit Guarantee Corporation of India Limited, Mumbai, for the year 1995-96, alongwith Audited Accounts and Comments of the Comptroller and Auditor General thereon.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the paper mentioned at (1) above.

[Placed in Library. See No. LT 1343/97]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Agricultural and Processed Food Products Export Development Authority for the year 1995-96, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Agricultural and Processed Food Products Export Development Authority for the year 1995-96.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No. LT 1344/97]

12.02½ hrs.

ASSENT TO BILLS

[English]

SECRETARY-GENERAL : Sir, I lay on the Table the following ten Bills passed by the Houses of Parliament during the last Session and assented to since a report was last made to the House on the 21 November, 1996 :

- (1) The Income-Tax (Amendment) Bill, 1996.
- (2) The Appropriation (No. 4) Bill, 1996.
- (3) The Uttar Pradesh Appropriation (No. 2) Bill, 1996.
- (4) The Appropriation (Railways) No. 4 Bill, 1996.
- (5) The Provisions of Panchayats (Extension to the Scheduled Areas) Bill, 1996.
- (6) The Indian Contract (Amendment) Bill, 1996.
- (7) The Maulana Azad National Urdu University Bill, 1996.
- (8) The Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya Bill, 1996.
- (9) The Apprentices (Amendment) Bill, 1996.
- (10) The Companies (Amendment) Bill, 1996.
- (11) I also lay on the Table a copy, duly authenticated by the Secretary-General of Rajya Sabha, of the Delhi Development (Amendment) Bill, 1996 passed by the Houses of Parliament during the third Session of Eleventh Lok Sabha and assented to by the President.

12.03 hrs.

STANDING COMMITTEE ON RAILWAYS

Fourth Report and Minutes

[English]

SHRI BASU DEB ACHARIA (Bankura) : Sir, I beg to present the Fourth Report (Hindi and English versions) of Standing Committee on Railways (1996-97) on Ministry of Railways 'Demands for Grants 1996-97' and Minutes of the sittings of the Committee relating thereto.

12.03½ hrs.

ELECTION OF COMMITTEE

Marine Products Export Development Authority

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : Sir, I beg to move :

"That in pursuance of Section 4(3) (c) of the Marine Products Export Development Authority Act, 1972 and Rule 4(2) of Marine Products Export Development Authority Rules 1972, the Members of this House do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve as members of the Marine Products Export Development Authority, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER : The question is :

"That in pursuance of Section 4(3) (c) of the Marine Products Export Development Authority Act, 1972 and Rule 4(2) of Marine Products Export Development Authority Rules 1972, the Members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Marine Products Export Development Authority, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted

12.04 hrs.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA) : Sir,

with your permission, I rise to announce that Government Business during the week commencing Monday, the 24th February, 1997 will consist of :

1. Consideration of any item of Government Business carried over from today's Order Paper
2. Discussion on the Motion of Thanks on the President's Address.
3. Presentation of Railway Budget for 1997-98 immediately after Question Hour on 26.2.97
4. Discussion on the Statutory Resolutions seeking disapproval of the following Ordinances and consideration and passing of the Bills replacing these Ordinances

(a) The Depositories Related Laws (Amendment) Ordinance, 1997

(b) The Special Court (Trial of Offences relating to Transactions in Securities) Amendment Ordinance, 1997

(c) The Industrial Reconstruction Bank (Transfer of Undertakings and Repeal) Ordinance, 1997

5. General discussion on Railway Budget for 1997-98

6. Discussion and Voting on

(a) Demands for Grants on Account (Railways) for 1997-98.

(b) Demands for Excess Grants (Railways) for 1994-95.

7. Presentation of General Budget for 1997-98 at 5 p.m. on 28.2.97.

8. Introduction of the Finance Bill, 1997.

SHRI BASU DEB ACHARIA (Bankura) : The following items may be included in the next week's agenda

1. To improve the postal services in West Bengal by opening more post offices and telegraph offices in the State
2. To take up the matter with Bangladesh Government for restoration of rail and road communication between the two countries for the benefit of both.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : The following items may be included in the next week's agenda :

1. Price rise of essential commodities
2. Privatisation of Coal Industry

SHRI P.C. THOMAS (Muvattupuzha) : The following items may be included in the next week's agenda :

1. The serious crisis which has arisen to the economy of the country and to the small farmers by the crash in price of natural rubber.
2. The policy regarding appointment and transfer of judges of the Supreme Court and High Courts.

[Translation]

PROF. PREM SINGH CHANDUMAJRA (Patiala) : The following item may be included in the next week's agenda :

"Discussion on the unfreaisible wheat procurement policy."

SHRI K.D. SULTANPURI (Shimla) : The following items of public importance may be included in the next week's agenda :

1. To make announcement of some package programme and financial assistance for Himachal Pradesh for the developmental works of the State, as it has been done in the cases of other States.
2. To take action on the demands raised by the M.Ps. from Himachal Pradesh to finalise a scheme for laying of rail lines in Himachal Pradesh.

[English]

SHRI HARADHAN ROY (Asansol) : The following items may be included in the next week's agenda :

1. Expedite the process for setting up of the All India Radio station at Asansol.
2. Take steps to enable subscribers of Barakar/ Chittaranjan getting access to contact the subscribers of Panaragh by local dialing system instead of STD.

[Translation]

PROF. AJIT KUMAR MEHTA (Samastipur) : The following items may be included in the next week's agenda :

1. To take steps to seek co-operation of voluntary organisations in making Bihar self-reliant in the production of quality seeds.
2. To construct a bridge over Road No. 99 at Virouli Ghat of the river Burhi Gandak in Bihar, as it will reduce the distance between Darbhanga and Patna to 50 km. and benefit nearly 3 lakh people.

12.09 hrs.

STATEMENT BY MINISTER

Price Policy on Fertilizers

[English]

THE MINISTER OF AGRICULTURE (SHRI CHATURANAN MISHRA) : Mr. Speaker, Sir, with your permission, I would like to make the following statement :

The price, distribution and movement on phosphatic and potassic (P&K) fertilizers were decontrolled with effect from 25th August, 1992. This resulted in steep hike in the prices of these fertilizers. In order of cushion this price hike,

Government of India is implementing a scheme of concession on sale of these decontrolled fertilizers to the farmers. This scheme was initially implemented in Rabi 1992-93 (w.e.f. 1.10.92) and is being continued since then.

Urea is the only fertilizer which is under Statutory Price Control and sold at a uniform price of Rs. 3,320/- per tonne all across the country. The decontrol of P&K fertilizers resulted in decline in their consumption whereas in respect of Urea the growth in consumption has been maintained and consequent imbalance in the use of fertilizers. The NPK ratio which stood at 5.9:2.4:1 during 1991-92 widened to 8.5:2.5:1 during 1995-96.

The Government of India announced a substantial increase in concession on P&K fertilizers with effect from 6th July, 1996 as a first step towards improving the deteriorating NPK ratio. The rate of concession on indigenous Di-Ammonium Phosphate (DAP) was raised from Rs. 1,000/- per tonne to Rs. 3,000/- per tonne. A concession to the extent of Rs. 1,500/- per tonne was extended to imported DAP also to bring its selling price at par with indigenous DAP. Similarly the concession on Muriate of Potash (MOP) was increased from Rs. 1,000/- per tonne to Rs. 1,500/- per tonne. The rate of concession on Single Super Phosphate (SSP) was also enhanced from Rs. 340/- to Rs. 500/- per tonne. The rates of concession on Complexes were increased proportionately.

To reduce the existing imbalance in the application of NPK nutrients, it has been decided to further increase the concessions on phosphatic and potassic fertilizers during 1997-98 and the incremental requirements of funds will be met by increasing the price of Urea by 10 per cent. As a result, the increase in concession for DAP will be Rs. 750/- per tonne, Rs. 100/- for S.S.P. and Rs. 500/- for M.O.P. and proportionate increases in respect of other Complexes.

The revised concessions will be applicable from April 1, 1997 and the increase in price of Urea with effect from February 21, 1997.

Certain other measures are being considered with a view to promoting consumption of fertilizers in low-consumption areas. It has been decided to subsidise transporation of decontrolled phosphatic and potassic fertilizers to parts of Jammu and Kashmir, North-Eastern States etc.

It is expected that these measures will go some way in promoting increased use of phosphatic and potassic fertilizers along with consumption of urea and bring the NPK ratio closer to the optimum level. Thank you.

[English]

MR. SPEAKER : Now let us take up rice-Milling Industry (Regulation) Repeal Bill, 1996.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Sir, we have given a notice.

MR. SPEAKER : Notice for what ?

SHRI NIRMAL KANTI CHATTERJEE : Sir, it is Zero Hour.

MR. SPEAKER : No, you have today the Private Members' Bill. That is why, there is no Zero Hour on Fridays.

SHRI NIRMAL KANTI CHATTERJEE : Important things are there. I have given a notice on Bofors issue. We want the Bofors papers to be here. It has a long history.

SHRI BASU DEB ACHARIA (Bankura) : We have given notice on the price rise.....(Interruptions)

KUMARI MAMATA BANERJEE (Calcutta South) : We want the complete papers. We want all the papers and nothing less than that.

SHRI NIRMAL KANTI CHATTERJEE : We want all the papers to be laid on the Table of the House.

SHRI BASU DEB ACHARIA : We want all the papers.

SHRI NIRMAL KANTI CHATTERJEE : A Parliamentary Committee was formed almost 10 years ago and that proved.....(Interruptions)

SHRI P.R. DASMUNSI (Howrah) : We cannot allow anything which is not a classified document in place of the document that is in the possession of the Government unless it is tabled in the House.....(Interruptions) Nothing should be allowed to politically malign anybody. (Interruptions) Everything should be discussed in the House and the Government must come to a logical conclusion of the document that is imported. And it is the duty of the Government to find the end part of it as to where the money has gone and we want nothing more. It is in the possession of the Government. There is no question of accepting individual opinion. It is more or less the responsibility of the Government.....(Interruptions).

SHRI NIRMAL KANTI CHATTERJEE : A Committee was formed 10 years ago.

SHRI P.R. DASMUNSI : Whatever document they have called for from the Swiss Court.....(Interruptions) We want all the papers to come before the House. We also want the proceedings of the Parliamentary Committee with their opinion to be put before the House.....(Interruptions)

MR. SPEAKER : Shri Ray, what is your reaction ?

(Interruptions)

MR. SPEAKER : Please sit down. Shri Mukherjee, what is happening ?

KUMARI MAMATA BANERJEE : The Government should come out with all the papers.....(Interruptions)

MR. SPEAKER : Mr. Minister, will you speak now ?

SHRI RAMESH CHENNITHALA (Kottayam) : The

Government should come out with all the papers.

[Translation]

SHRI ILIYAS AZMI (Shahabad) : There should be a thorough discussion on it in the House.

[English]

SHRI BASU DEB ACHARIA : Who has taken the money ?.....(Interruptions)

MR. SPEAKER : Shri Mehta, please sit down.

If every day we go on breaking the rules and the procedure, how can we run the Parliament ? Being Friday, today is the Private Members' Day. We do not take up Zero Hour on a Private Members' Day.

SHRI BASU DEB ACHARIA : Yesterday the House had adjourned.

MR. SPEAKER : Shri Basu Deb Acharia, we are having a three-month Session. You will have lot of time. You raise this issue on Monday, I will be very happy to allow you. Mr. Minister.

SHRI NIRMAL KANTI CHATTERJEE : Will this notice be valid for Monday ?

MR. SPEAKER : Yes, today's notice will be valid for Monday.

Mr. Minister, please start.

SHRI BASU DEB ACHARIA : On Monday also we will adjourn !

MR. SPEAKER : Shri Ramakant D. Khalap, are you making a statement ?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : I will introduce the Bill.....(Interruptions)

MR. SPEAKER : You do not have to introduce the Bill, you have to move the Motion for Consideration of the Bill.

SHRI P.R. DASMUNSI : Sir, my humble submission to you on behalf of my colleagues and my party members is that you may please see that the Bofors issue is not leaked out in Zero Hour and the Government should come out with their own official announcement in the House, whatever it is, that is what we want.....(Interruptions)

MR. SPEAKER : Now please sit down. Yes, Mr. Minister.

(Interruptions)

MR. SPEAKER : I have heard and I have given my ruling. Now I will hear you, Shri Chatterjee only on Monday, not today.

(Interruptions)

12.18 hrs.

RICE-MILLING INDUSTRY (REGULATION) REPEAL BILL*

[English]

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : I beg to move :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958, be taken into consideration".....(*Interruptions*)

12.20 hrs.

[SHRI NITISH KUMAR *in the Chair*]

Sir, this Rice-Milling Industry (Regulation) Act, 1958 was enacted at a time when there were shortages in the country and it was desired that the rice-milling industry be regulated in order to ensure adequate supply of rice and also to ensure that modern equipments were established in our country.

From 1958 till now, this industry has developed in a big way. In 1958, we hardly had any rice-milling mill in this country and today, the figures has crossed 34,000 in different parts of the country. Most of these mills are modern and production of rice has increased.

We have now liberalised our economy and as a result, it is felt that there is no need to regulate the rice-milling industry any more. It is now expected that those people who wish to establish rice-milling mills can do so without any fetters and this Bill, which has been a great hurdle in development of rice-milling industry, be done away with. That is the short purpose of moving this Bill in the House. I am sure that the Members of the House will agree with me that the time has come to repeal the Act, which is in force, now. I, therefore, request the House to agree to repeal this Act. This is a very short Bill and I do not think that much discussion is required on this Bill.

MR. CHAIRMAN : Motion Moved :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958, be taken into consideration."

[Translation]

SHRI MEHBOOB ZAHEDI (Katwa) : Mr. Chairman, Sir, I thank you for having given me the opportunity to speak on this Bill meant for repealing the Rice Milling Industry (Regulation) Act, 1958. This Repeal Bill has been introduced at a very appropriate time. We have made a lot of progress in the field of production. Just now I was listening to the statement given by Hon'ble Minister wherein he had said that the number of mills have gone up from 34000 to 94000. However in the statement of Objects and Reasons of the Bill, it has been stated that if milling of 65 per cent of the total production of paddy is to be taken up, more rice mills

would be required and we will not be able to set up these rice mills.

Secondly, more and more modernisation is taking place and more modernisation work should be taken up. But the Government should pay attention to this aspect also that whereas production is abundant, the rice mills are unable to produce as much. Uneven development is taking place. On the one hand, more paddy is being produced and on the other hand, fewer rice mills are being set up in the country. The rice mills should also be modernised. But there are three issue involved herein. Firstly, such persons having the financial capacity to modernise the operations, can modernise the mills. However there are some such rice mills also which are lagging behind in the matter of production and have lesser machinery and the money required for modernisation is beyond their financial capacity.

The government should also take care of the funds required in this purpose. The Union Government as well as the State Government will have to look after the work of modernisation of rice mills otherwise no development will take place in this sector and these mills will stop functioning.

Sir, along with modernisation, the Government have to pay attention towards several other matters. Bran is a byproduct in the processing of paddy, and bran oil is produced therefrom. If this bran is made available to farmers, the poor farmers can earn a little money by selling this bran. Keeping this objective in mind, more and more mills should be modernised. I also want to state that modernisation should not be introduced at such places where it can affect the small husk mills. Husk mills are situated throughout the country in large numbers and they are functioning as per the old system. I want these husk mills to be modernised by fitting of rubber seals otherwise we would face a lot of difficulties. The reason being that most of the husk mills are situated in rural areas and when rice is produced from the paddy, it contains some bran contents. Bran has iron content. If you use rubber seal in these mills, the poor farmers will be benefited and they can make a profit from the bran also.

Hence I support this Repeal Bill. The Government are lifting the bans imposed on this sector. The Government should pay utmost attention and extend its support for the development of such areas where uneven development is taking place and where the processing system is weak. With this I conclude and support the Bill.

MR. CHAIRMAN : The time has not been fixed in advance for this bill. One hour's time could be fixed for discussing this bill.

SHRI SUNIL KHAN (Durgapur) : Mr. Chairman, Sir, I support the bill introduced by Hon'ble Minister to repeal the Rice Milling Industry (Regulation) Act, 1958. Earlier those who used to set up mills by their investment even where the needy areas were concerned, they were not able to do so. Hence Hon'ble Minister wishes to repeal it. We also support it. More than 65% paddy is produced but there are no mills for dehusking it. An act was framed in 1958 in this regard. By repealing the act, we can take up more and more modernisation and we can set up rice mills. With this

legislation, the farmers and labourers would dehusk their paddy and thus produce more rice. The modernisation of the process was required because we know that 50 gram bran per kilogram of rice is wasted and it is lost in the processing. This bran can be utilised to produce bran oil. It is quite costly also. Another by-product of husk is used in cold storage and for other purposes also. Now we also require cold storages. Please pay attention towards this aspect also. I welcome this bill.

I would like to say some points in this regard. Licence was not issued for husking mill in my village. Earlier this regulation was in force that the second husking mill would not be set up within a radius of five kilometers. Now with the present legislation, such mills could be easily set up. If financial corporations provides loans to the unemployed, many more mills can be set up and the unemployed would also become self-dependent.

12.32 hrs.

[SHRIMATI GEETA MUKHERJEE *in the Chair*]

Two-three varieties of paddy are produced in a year in West Bengal which require dehusking. Such mills are required to be set up after every one-half kilometer. Hence the Government wishes to repeal the Act. The unemployed youth would be given loans by the financial corporation for modernisation of these mills and for setting up rice mills. They can set up such mills with the help of loans. Financial Corporations should provide loans for this purpose. I welcome and support this bill and I thank you for having given me the opportunity to speak

[English]

MR. CHAIRMAN : Now, Shri Nitish Kumar - not present.

I think Mr. Nitish Kumar did not expect him to finish so quickly. Shri Raghavan.

SHRI V.V. RAGHAVAN (Trichur) : I only want to congratulate the hon. Minister for bringing this legislation. It is a very timely legislation. Now, there is no need for any kind of regulation for the rice mills because they are to be developed. I wholeheartedly support the Bill and request the House to adopt it as soon as possible.

[Translation]

SHRI RAM KRIPAL YADAV (Patna) : Madam, Chairperson, I rise to welcome the Bill brought by the Government. Earlier, it was necessary to take the permission of the Government for setting-up a rice-mill due to which people were put to so many difficulties and obstacles.

So far, there are 40 modern mills throughout the country. Paddy is grown in many parts of our country and according to the data available with us, the farmers have stepped-up the production of paddy substantially over the years. In view of this, there is a need to open more rice mills in order to

attract the paddy growing farmers. The Government, in their wisdom, have freed this industry from the requirement of licence. This step will produce good result and encourage the farmers to maximise the production of rice. I think, providing facilities to farmers is necessary not only by the Government but also by the mills. It is with this objective that the Government is drafting this scheme and making rules which is indicative of the *bona fide* intention of the Government. This includes providing irrigation facility to the paddy growing farmers. Bihar is not the only rice growing state in the country but in many parts of Bengal and Uttar Pradesh, paddy is produced in abundant quantity. The facilities which the farmers of these areas deserve, are not fully available to them. I, therefore, request the Government to take this issue seriously and give maximum facilities to the farmers of those areas where due to shortage of irrigation water, paddy field can not be watered properly. There, the State Government should be given full support by the Centre. The Centre should extend assistance to the states as per their requirement. This will encourage the farmers to produce more quantity of paddy than they are growing at present.

Madam, Chairperson, the farmers require fertilizers also to set-up the paddy production but they do not get timely supply of fertilizers. I request the Government to ensure that fertilizers is available in adequate quantity and at reasonable prices in the paddy growing states. As of now, there is shortage of fertilizers in the market which is resulting in black-marketing thereof and causing great inconvenience to the poor farmers. In view of this, the Government should formulate such a policy under which the poor farmer can get fertilizer on time which, in turn, will automatically increase production of rice. We have got a very old system of dehusking the paddy which is a quite difficult process. There has been a traditional system of dehusking in which paddy is put in a mortar and it is thrashed by a pounder to get the rice. There are two kinds of rice, one is *Usana* and another is called *Arova*. Our farmers and agricultural labourers who work in their fields and barns are faced with a lot of difficulties. Now, that licence system is being put to an end and various rice-mills are being set-up in Bihar, and throughout the country the farmers are likely to get the benefit thereof as now less labour will be involved in thrashing their paddy. They will be producing better quality of paddy and that too in more quantity with much more enthusiasm. This Bill, which has been brought by the Government, will pave the way to set-up more rice-mills in the entire country and help removing the problem of unemployment. With setting up of a new mill many people get jobs in it. This Bill, therefore, deserves welcome from many points of view. We will be getting husk from the machines which is used in many industries. It will be used as fodder for the animals. Besides that we will be getting many more benefits from it. This Bill deserves welcome and therefore I do welcome it and I also congratulate the Government for having introduced it.

[Shri Ram Kripal Yadav]

At the same time I request that they should provide more facilities to the paddy growing farmers in order to encourage them so that the production of paddy is increased to the maximum possible level and the country becomes self reliant in foodgrains

SHRI NITISH KUMAR (Barh) : Madam, Chairperson, I rise to support Rice Milling (Regulation) Repeal Bill, 1996 which is being discussed in this House.... (Interruptions) The whole Nalanda region is a rice bowl. We are producing paddy and pulses also.... (Interruptions). We are producing everything there. I want to welcome this Bill.

Madam, Chairperson, I feel surprised on certain things. Such a good Bill has been brought by the Government but it is a pity that the hon'ble Minister could not even express his views in favour of this Bill. This Bill had to be introduced by Shri Dulip Kumar Ray but I do not know where he is, and why is he not present here. He must be in the cabinet. Had he not been in the cabinet, it would have come to our knowledge through newspapers. This is a major achievement during his tenure but even at this moment he is not present here and the Bill had been introduced by the Minister of Law on his behalf. Though it is an old law which is being repealed but it seems as if the Minister of Law does not have much knowledge about it. Though, he is a scholar of law yet he failed to understand the objectives and essence of this Bill.... (Interruptions)

[English]

MR. CHAIRMAN : The Law Minister will answer.

[Translation]

SHRI RAM KRIPAL YADAV : I know that the Law Minister is an expert in matters of law. He is also an agriculturist and he knows the things.... (Interruptions).

SHRI NITISH KUMAR : That I have come to know. Had he been a farmer, he would have delivered a good speech on it. It is not a new demand, rather it has been a long standing demand of the farmers that this regulation should be repealed. Several farmers organizations have been raising this demand, irrespective of their party affiliation. Shri Ram Kripal Ji is speaking. Shri V. P. Singh ji. has been yours as well as our leader. He has also been raising this demand since long. You must be remembering that when wheat was being imported we had gone to the ports to sit on SATYAGRAH against the move. Any way, it is no use now to discuss that affair but now again you are going to import wheat. Earlier you had gone to oppose that move but now you are going to import it. I do not know as to how to adjudge your stand in this matter, very often it surprised us and puzzled us and at the same time we feel sorry over it. This is such a good Bill which the people from all quarters have been demanding. The organization of farmers have been demanding it, even these people have been demanding it who are least interested in agriculture. Whenever any matter pertaining to the Ministry of Agriculture was debated, it was not only one member in this House but several hon'ble Members took part in that debate. The Standing Committee on Agriculture had been discussing since its formation whether to repeal it or not. And since you are likely to repeal this Bill, you should

have at least, discussed the things properly but you just stood-up, as if reluctantly, and merely read out the objections and reasons. You have failed even to mention your achievements. The Prime Minister claims that he is a humble farmer. Now since this Bill has been brought during the tenure of a humble farmer, what kind of a humble lawyer you are that you did not succeed even in pleading your case. I am surprised and astonished to note as to how this Government is surviving.

It seems to me that there is no Government today in this country.

SHRI RAM KRIPAL YADAV : Mr. Chairman, Sir, I would like to know whether the hon'ble Member is dwelling on this Bill or delivering a political speech? It seems to me as if he too does not have any specific knowledge about this Bill. This Bill should be passed without any further consideration.

SHRI NITISH KUMAR : I am speaking only on this Bill. It is O.K. that it should be passed without any consideration, which it deserves but at the same time people should know through the House as to what is happening in this regard. It deserves no discussion and there can not be any controversy in this respect. But, since it is a good thing we must highlight its merit. You are saying that the Bill should be passed without any discussion and we are saying that it deserves our praise. Now when I am on my legs to praise it, you are saying that I am delivering political speech. What kind of a Government you are? You have not been successful in pleading your side and now when someone is extending his support to you, you have started saying that this should be passed without any discussion. I am unable to understand as to whether there is any Government at all? The Government run by you people are not a Government. What I want to say is that though this is a very good Bill and through it a good step has been taken by the Government but there is no preparation on the part of the Government to speak something in favour of this Bill. It is a simple thing that when a farmer is producing foodgrains in his village, he is not getting the benefit thereof because the existing regulatory Act hinders them from doing anything for their benefit. The present Act stipulates a lot of restrictions in paddy thrashing work. There is a scope for the concerned officers to visit the site and file a suit any time against the rice mill. So, the farmers have been facing a lot of problems so far.

There was no value-addition. Value addition which should have reflected in the agro-produce was not there, that is why its benefit was not reaching to the farmers. Once the present Act is repealed, the farmers will get benefit, value-addition will be there. The prices of their product will also increase, their margin of profit will go-up and ultimately the farmers will be benefited. This Bill was necessary and, when this time, it has been brought the Government is not able to express itself properly on this score. How the Ministry of Agriculture or the Department of Food Processing functions, we read about it today itself in the newspapers. They are importing wheat just because the production of wheat is less. This will wreck the backbone of farmers but it hardly matter for them. However, it is a different subject. Right now, we are discussing the rice-milling and value addition which was referred to by Shri Ram Kripal Yadav. He has referred to 'Usna' variety of rice. You might have read in the newspaper

today that a foreign company has got that variety of rice patented in some other country. What knowledge do they have about 'Usna' rice. It is eaten by our people in Southern and Eastern India. If you see, you will find that people in the Western part of Patna do eat 'Arwa' rice and if you go beyond Western part, you will find that people there eat 'Usna' rice. The method to get 'Usna' rice is that first the paddy is boiled then dried and after that it is pounded then we get the 'Usna' rice. The news regarding patenting of this rice has been reported in the newspapers. You are doing a very good job today and, therefore, think also something to safeguard our farmers. You have freed the rice milling from regulation, hence, now anybody can start his work.

This will certainly work but there are certain other restrictions. Since the hon'ble Minister has mentioned about 'Chiwda' therefore, I would like to say that problem pertains to, both, 'Usna' and 'Chiwda'. You have done a commendable job but what is this? This 'Kellogg' company belongs to America and it was already selling cornflax in this country. Now, I have learnt that this company would also sell 'Chiwda'.

May I know whether any American has so far eaten 'Chiwda'. Some people in our country are selling curd as 'Yoghurt'. Since the olden times it has been known as curd but now it has become 'Yoghurt'. Since this Bill pertains to rice-milling which is why I am drawing the attention of the Government towards this problem as this Government usually do not take any action. I do not know whether they are aware of the things or allowing deliberately to let the things go on. The economy of the country has been opened for the Multi-National Companies and the companies are entering the consumer sector due to which the country is likely to suffer less because these companies will earn huge profit and take it to their respective countries. Since certain foreign companies are trying to get 'Chiwda' patented in some other countries, I would like to know from the hon'ble Minister the factual position in this regard. He has done a very good job by bringing this Bill as the same will produce good results for farmers but what is his position in respect of patenting of 'Chiwda' in other countries? What are the steps proposed to be taken by the Government to protect our farmers? Whether the Government propose to oppose this move? Whether the Government propose to take concrete steps to oppose this patenting move? Whether the Government would convince this House and through this House, the people of this country that it will take all necessary steps to oppose this move?

I cannot visualise the difficulties expected to come-up after the patenting of above rice variety in foreign hands. I can not say whether this rice will be available in our homes and hotels. In the emerging situation, which is expected after patenting of the rice in foreign countries, if we will be cooking this rice in our homes then what will be the fallout of that patenting — this would like to know from the Government. Today, when we are doing a ver good job, it would be better if the Government provide sufficient information in this respect. Whether the Government have decided to take any action or not? The Minister of Agriculture is not present in the House. We would like to know from the Government as to what steps they propose to take in this regard? We feel it proper to put this point before the House so that we can get the reply of the Government in this regard. We want the Government's

response in this regard. With these words I support this Bill but at the same time I also request the Chair to take note of the points raised by me. This is a Bill which pertains to the rice milling industry through which Government want to give more facilities and benefits to the paddy growing farmers but on the other hand there have been talks which may harm the farmers and it is because of this I would like the Government to place its views clearly on this issue. With these words, I extend my thanks to you for giving me the opportunity to speak.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Madam, Chairperson, I also rise to support this Bill. But I do not know why it has been delayed. To repeal this Act, I think, a decision was taken about two or three years back. I find from a news item, that the decision to this effect was taken by the Cabinet in 1995. In 1995, the Cabinet approved the repeal of Rice Milling Industry (Regulation) Act 1995.

So, it should have come to this House much earlier. The Bill also is of 1996. I have expressed my concern earlier also about the way the business is being organized, processed and brought before the House. In fact, there is a lot of debate required, if need be with having longer sittings of the House - not in terms of hours every day but in terms of days which should be considered.

There is no meaning because in 1995 it was approved by the Cabinet, it was drafted and then the Bill was prepared in the early 1996. And then, in 1997, we are discussing it.

This Bill was earlier there with the main objective to ensure organised growth of rice milling industry, to see that there is no haphazard growth of the rice milling industry and at the same time the industry is modernised also. What happens is that unless we have modern equipment fitted in these rice plants and mills, there would be a loss to the nation.

In Japan today the recovery rate, that is, from paddy to rice, is more than 82 per cent. If we put 100 kgs. of paddy to the mill, we get about 82 kgs. of rice. But, in the case of India in the old mills it was around 64 to 65 kgs. and in very very old mills it was less than 60 kgs. That is why this modernisation was emphasized upon. The main objective behind this Act which we are going to repeal today was also modernisation, no haphazard growth and growth of the industry in a scientific manner.

The existing rice milling capacity in the country is estimated to be about 184.2 million tonnes per year with a utilisation capacity of about 53.2 per cent. So, there is a lot of scope for improvement. Many mills are not working for their full capacity. As Shri Nitish Kumar said, I also cannot expect an instant reply from the Minister who is in charge of Law, Justice and Company Affairs. He might be having the information, but he might not also have any direct knowledge of the functioning of FCI mills.

The Food Corporation of India was having a number of modern and costly mills. They had established twenty-five modern rice mills during the period from 1968 to 1977. Over a period of nine years, twenty-five modern rice mills were set up and I know one of them was located in my constituency at Hirakud, at the foothill of the world famous Hirakud Dam

[Shri Sriballav Panigrahi]

Project. With that dam having been completed there is also a large ayacut area and naturally the food production has been augmented. Considering that angle, probably the FCI set up a very modern rice mill at Hirakud. But it hardly functioned. They made loss and finally sold it out to some private people who made profits. You will be surprised to know that none of these mills is now under the control of the FCI. They have disposed of thirteen rice mills. What are the reasons for the loss which ultimately led to the closure of these mills?

1300 hrs.

According to a reply given by the then hon. Minister on the floor of Parliament, it was because of non-availability of millable paddy, particularly in Andhra Pradesh and Tamil Nadu. I do not understand how paddy was not available in required quantities, in required measures, to the FCI for milling but how in those localities private millers did prosper. It is because of obsolete plant and machinery of the FCI and modern rice mills of private millers. The reasons attributed to the failure of the FCI mills have been given as 'obsolete plant and machinery, frequent power cuts' and all those things. Anyway, we know that, in our country, because of mismanagement, because of lack of involvement, these public sector units do not prosper. On the other hand, they also make losses.

At the beginning, I said that there is no reason to oppose this Bill. There are a large number of mills everywhere. The milling capacity is so much that the capacity utilisation is less. We have to encourage the farmer to freely process their own produce and market the rice at their own will. This would facilitate the producer in that direction. This measure will also directly benefit the farmers as intermediaries like traders and private millers would be bypassed. Of course, it cannot be done to the extent of hundred per cent, but at least to some extent in some areas.

I would request the Minister to take note of this. It is not a question of big, modern mills. That is naturally the arena of rich traders. It is the question of small mills and hullers. Even some affluent cultivators can think of setting up small mills in some areas on a partnership basis. They have to be given encouragement. There was also a scheme to provide for this.

MR. CHAIRMAN : Excuse me, Shri Panigrahi. It is one o'clock now. Would you finish it in two more minutes?

SHRI SRIBALLAV PANIGRAHI : If you give me five minutes, I will conclude.

MR. CHAIRMAN : All right, you can conclude in five minutes.

SHRI SRIBALLAV PANIGRAHI : This hullers scheme would give more benefit to the farming community. A subsidy scheme was also formulated to modernise the existing huller rice mills. I do not know what the present status is. I would request the hon. Minister to take note of it and see that these hullers are also modernised. Otherwise, the recovery will not be there. The percentage of broken rice also would become more. There is a loss because of this. If the recovery

rate is less, then, it becomes a national loss.

I would say that a time was there during our freedom movement when there was a saying - Gandhiji led the freedom movement and he led it successfully - *kuti khao kati pindho*. That was the economic philosophy advocated by Gandhiji. Also, that dealt a severe blow to the British Raj. The British were a group of traders who came to this country as the East India Company. They took control of our entire trade and commerce.

That is why, Gandhiji said that we should boycott foreign goods, foreign cloth, etc., and not to depend on mills. He impressed upon everybody to go in for hand pound rice because that was playing a major role in the rural economy. Of course, there is no use now in crying over the split milk. Hand pound system has disappeared by and large. Instead, hullers have been set up and even in the villages, small farmers are going in for hullers. The same is the case with weaving. That is why, Gandhiji said, "*Kuti khao, kati pindho*". That means, you weave your own cloth. So, the clothes that we were getting from abroad, from Buckingham, London - there was a fanfare as you know - were set on fire during the freedom struggle. We should not go by the letters, at least, we have to keep the spirit in mind, in today's situation.

Gandhism, Gandhian economic philosophy and Gandhian economics are always relevant and it does not lose its relevance at any point of time, particularly when population explosion is there in our country, unemployment is looming large and is threatening. Naturally Gandhian economy and Gandhian philosophy are very much relevant today also.

I would conclude by saying something about procurement. This is an area where cultivators are exploited very much by the traders. FCI is the monopoly procurer, the procurement agent in many States including Orissa. FCI does not go directly for procurement of foodgrains, of paddy, etc., from the producers in different rural areas. Instead, they again engage rice millers as their sub-agents. At least in FCI some intermediary should procure directly from the producers. So, it will go a long way in checking the price rise and to see that distress sale is not there.

In remote areas where there is not much good communication facilities, good road communication facilities, there are complaints of distress sale. FCI has to rise to the occasion to prevent distress sale and exploitation of farmers. So, FCI should behave in such a way that it is regarded as the friend of the producers or farmers. The position is not so today. Again, there is a lot of gap between the procurement price and the issue price. Paddy is procured at a certain price per quintal; it is processed; it is milled; it is transported and it is taken to, may be, different centres for supply. By the time it reaches the poor people, by way of public distribution system, the rates are almost doubled. It should not be so high. That is why, there should also be a liberal provision for procurement of rice directly from the farmers so that they would get higher prices.

Secondly, millers are there; they are milling it and taking it. They have their own mills and they are the agents

appointed by the FCI to procure. They do not procure and they do not encourage procurement of rice from the producers. They will take it to their mills, they will mill it and they will get milling charges, transportation charges twice. These things are going on. Therefore, they are the millers on the one hand and agents appointed by the FCI to procure foodgrains on the other.

That is why they do not encourage procurement of rice but they insist on paddy. This should not be allowed to happen. Keeping all these aspects in view only, we are now repealing it thereby giving encouragement for setting up of more mills without the requirement of any licence or any control from anywhere. But on the other hand, if we do not take this into consideration and make sufficient provision for procurement in the form of rice only from the producers, then there will be exploitation and even it will go on increasing.

With these words, I lend my support to this Bill. There is no controversy about it. But these points, which I have mentioned, should be taken note of by the Government and they should also try to find out some solution in the interest of the farming community.

1310 hrs.

The Lok Sabha then adjourned for Lunch till Ten Minutes past Fourteen of the Clock

1421 hrs.

The Lok Sabha re-assembled after lunch at Twenty one minutes past Fourteen of the Clock

[SHRI P. C. CHACKO in the Chair]

RICE-MILLING INDUSTRY (REGULATION) REPEAL BILL – Contd.

[English]

MR. CHAIRMAN : Let us now resume the discussion on the Rice-Milling Industry (Regulation) Repeal Bill, 1996

Shri Anant Gangaram Geete

[Translation]

SHRI ANANT GANGARAM GEETE (Ratnagiri) : Mr. Chairman, Sir, I rise to support the Rice-Milling Industry (Regulation) Repeal Bill, 1996. This Bill is going to fulfill the long-standing demand of the farmers. I have been elected from Konkan region of Maharashtra. Paddy is the main agricultural crop of mentory my area and there are also a few rice-mills. For several years, the small farmers have been demanding that to set-up new rice-mills in that area. Earlier rules promed by us for opening a rice-mills were causing many difficulties to the farmers. Traditionally, we thrash paddy to get rice. Due to this, farmers to suffer a heavy loss and they also do not get the quality rice. This Bill has paved the way for the persons who are interested in setting up their new industries in the field of rice milling. The farmers are also likely to get much benefit from this. Through the traditional method of milling, we do not get at least 60 per

cent rice from paddy. But now we are adopting new techniques and new equipments. This is likely to increase its productivity. The loss of rice, which is currently 40 per cent, will come down to merely 15 per cent. After that, we will be getting 80 to 85 percent rice through the new method of rice-milling. This will be one benefit from this Bill and another benefit will come in the form of good quality of rice. The farmers had to incur a lot of losses as there were heavy shortage of rice-mills. So far there used to be only one rice-mill in the whole of the *Talluka*, that is Tehsil. Which was beyond the reach of the farmers.

They could not sell their rice in the market, however now, through this Bill and with the setting up of new mills, they would be benefited. The new industries will have better opportunities. With this, the superior quality of rice would be available in the market. If a rice mill is set up within closer proximity, of the villages, the farmers would find it easier to carry their paddy upto mills and also their rice right up to the market. This way, he will get a better price for his produce. Rice is produced in large areas in our country, especially in Konkan and Vidarbha areas of Maharashtra. They would be benefitted by this Bill.

With this, I support the Bill and conclude my speech.

SHRI RAMASHRAYA PRASAD SINGH (Jahanabad) : Mr. Chairman, Sir, the Rice Milling Industry (Regulation) Act was framed in 1958 and is being repealed in 1996. The introduction of this Bill would be hailed by the farmers throughout the country because their requirements would be met by this Bill. When this technology was not introduced in our country, the poor farmers used pounders to separate rice from the paddy. A sizeable quantity of paddy was also wasted therein and when development took place, huller machines were introduced. The big farmers used these machines in their homes to get a produce of 200-400 quintals of rice. The rice obtained thus was not of a very good quality and we were disadvantaged as a result thereof. Thereafter, after enactment of this act in 1958, the broad objectives were achieved to an extent. You say that it was zero in 1970 and has reached the 34163 mark in 1996. How much development has taken place? After this much development, we are repealing it. It is a good step and I welcome this act.

Mr. Chairman, Sir, my second point is that it would benefit both the farmers as well as the mill owners. The husk left behind after separating the rice grains, is sold at Rs. 400 per quintal and cooking oil is extracted therefrom. Thirdly, more paddy would have to be produced because when more mills would be set up, they would require more raw material for their production. Hence I would like to draw the attention of the Minister of Industry and the Minister of Law in this regard. The Minister of Industry and Minister of Agriculture should work in co-operation so that these mills could be run properly. If we increase the production, only then we will be able to run the mill properly. Our land is very fertile but irrigation facility is not available there. Who is responsible for it? In order to run the industry properly, the Department of Agriculture would have to ensure progress in the agricultural sector. Until the agriculture production is not increased, we will not be able to run the industry in a better way. I have noticed that rubber is

[Shri Ramashraya Prasad Singh]

being fitted in place of iron in the rice milling industry. Now we have realised as to how much loss we were incurring earlier. This rice fetches a price of Rs. 10-15/- per kg. in the market. Now it weighs more. Earlier it was partially damaged. But now the full quantity of rice is available as a result of this rice milling.

Hon'ble Minister has introduced this Bill at an appropriate time and also an essential Bill. Now more and more rice is being produced in our country and we are getting superior quality seeds. In this way we are reaping a lot of benefits in the agricultural sector. With this, I conclude my speech and support the Bill.

SHRI BRIJ BHUSHAN TIWARI (Dumariaganj) : Mr. Chairman, Sir, first of all, I would like to congratulate the Minister of Law for having presented a historic Bill in the House for the benefit of farmers and the country.

Sir, last time, we had raised a demand in the House that it is an injustice to the farmers of our country that at the time when the policy of liberalisation is being implemented at a very large scale in the Industrial sector, those desirous of setting up a rice milling industry in the rural areas for the benefit of farmers, were required to get licence for it and we know that how much corruption and injustice is involved in the matter of procuring licences. Hence I have continuously been making this demand that at least the farmers should be freed from the legal procedures because this would not only lead to an increase in the rice production but would also encourage the farmers. With this, I would like to request that the technique in this regard should develop progressively.

The European countries have small milling machines which are mobile. They visit various localities in small vans and process the paddy. Several people get employment in this way. Hence the legislation that has been moved here is beneficial for the farmers as well as the country and this step would remove the injustice being done to the farmers.

Hence I support this Bill whole-heartedly.

KUMARI MAMATA BANERJEE (Calcutta South) : I support this bill but I would like to have clarifications regarding two-three points. The Minister of Food is not present here. He was to reply to my queries. (Interruptions)

[English]

AN HON. MEMBER : The Minister is having food.

KUMARI MAMATA BANERJEE : I do not know whether he is having his food or lunch. I do not know where he is. (Interruptions)

The law Minister is going to reply to the debate on this Bill. I think, it would have been better if the Minister of Food replied to this debate. (Interruptions) There is no harm in your replying to the debate on this Bill. There is no such Constitutional bar.

[Translation]

But the Food Minister should have been present here and should not have taken it casually. Sir, it is true that I have a little experience. But I have heard the speeches of all the Hon'ble Members. Everyone has praised it, which is a good

thing. But I have two or three points which I would like to raise.

Firstly, if you withdraw controls on the rice mills and delicense them, then it would benefit the rich farmers. The poor farmers can also be benefitted if you assist them through co-operative like the Government of Maharashtra has mobilised them through co-operative movement. Even in Gujarat, they have got a lot of help from the Co-operative movement. It costs a lot to modernise a mill. Modernisation of even a small mill would cost at least Rs. 25 lakh. How can a poor farmer afford to spend Rs. 25 lakh. Only those people will be benefitted who have got black money. If the Government does not strengthen the cooperative movement, the objective would not be achieved. Co-operative Movement is lagging behind in our country. The Government should try to unite the farmers through the co-operative movement. If panchayat Raj administration and the Government jointly form a co-monitoring system, then we can achieve the success. However, if the Government does not ensure such a system, the poor farmers are not going to be benefitted. It is true that there are very few rice mills in our country and to counter this, the Government can extend help through the co-operatives. The Government should make available bank loans to the poor farmers @ 4% interest. The poor farmers are facing the problem of unemployment. The Government can help them in this way. Everyone can not get a job but if they are offered help to some extent, hundred people can come together to start a joint venture.

My second point is that Government should have a monitoring process so that this facility is not misused. If you delicense the industry, those having black money would be benefitted however those, for whom you would be making this provision, would not be benefitted. Inflation is rising in our country. The ration system is not a Union subject. It comes under the purview of the State Government. Such commodities as rice, sugar and wheat are not being provided under the Public Distribution System. You say that those the below poverty line would be issued red Card, yellow card, green card. I am not aware as to what kind of discrimination you are going to make. (Interruptions)

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI DILIP KUMAR RAY) : Do you have a ration card?

KUMARI MAMATA BANERJEE : Yes, I have got the ration Card.

[English]

MR. CHAIRMAN : We have very limited time. Please do not answer the queries. Please conclude.

KUMARI MAMATA BANERJEE : Sir, I am raising a vital point but they are not listening to it.

MR. CHAIRMAN : Please make it. They are listening to it.

[Translation]

KUMARI MAMATA BANERJEE : Public Distribution System comes under the State Government. However the situation today is that nothing is available in ration shops. The Government had taken a decision that w.e.f. 26th January, the 35 per cent people below the poverty line would be issued

new cards and thereafter the Government would give them two kilos of rice at half the rates. But you can see for yourself as to how many State Governments have implemented this scheme so far. It has not been implemented in my state and I am not aware which State Government has implemented it. If the Union Government wishes to ensure the successful implementation of any policy, it is essential to monitor it also. When the funds are released, why the work is not done?

[English]

MR. CHAIRMAN : We will get time to discuss that matter later. Please come to this Bill.

KUMARI MAMATA BANERJEE : I am coming to the Bill. This is related to this Bill.

MR. CHAIRMAN : No.

KUMARI MAMATA BANERJEE : Yes, it is related to the Bill.

MR. CHAIRMAN : Public distribution system is different.

[Translation]

KUMARI MAMATA BANERJEE : Rice is covered under it. At present people are not getting rice, wheat, sugar or any other item through Public distribution system. I would like to know as to how poor persons will be issued ration cards under the new arrangements proposed to be introduced through this Bill. There is no mention about it.

[English]

MR. CHAIRMAN : Please do not talk about the public distribution system. About distribution, we will discuss later. You have to talk only about the milling of rice. Have you finished?

[Translation]

KUMARI MAMATA BANERJEE : I would not like to say much on this Bill, but the Government should ensure that the system which you are going to introduce through this Bill should not be misused. Its implementation should be monitored by the Government and this should be linked with the cooperative movement. So that farmers could get remunerative price for rice.

SHRI VIRENDRA KUMAR SINGH (Aurangabad) : Mr. Chairman, Sir, I support the Rice Milling Industry (Regulation) Repeal Bill, 1995. In view of the paucity of time, I have been given instructions to conclude in a short while. I would like to say that I agree with the views expressed by my friends earlier here. Earlier de-husking of rice in mortars and pounders was a laborious and time consuming exercise. This Bill will encourage the setting up of more rice mills and as a result thereof labour and time spent in de-husking of rice would be saved. With the introduction of this Bill the number of mills will increase and more people will get employment.

Most of the people eat rice in our country. Earlier de-husking of rice was done in villages manually or in small mills and in this process upto 40 per cent rice grains used to break which is called 'Khudi'. Poor people in the country are compelled to eat 'Khudi'. With the increased number of rice mills, the quantity of broken rice will be less and people will not be compelled to eat 'Khudi' this is the main achievement of this Bill.

Though, I wanted to speak further on this Bill but for paucity of time while supporting this Bill I conclude and thank the Government for this introducing it.

[English]

MR. CHAIRMAN : Thank you very much, the discussion is over. Now the Law Minister will reply.

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : At the outset, I express my gratitude to all Members who have been so kind enough to support this Bill wholeheartedly.

A few points have been raised, particularly, by Shri Nitish Kumarji, who came very heavily upon me, raising points like absence of preparation on my side while moving this Bill for consideration. I was really taken aback by the statement of the learned Member, Shri Nitish Kumar and I was very eager to hear him say something more than what I had stated in this Bill or what the original objectives that were laid down in the Bill that was placed before the House.

Sir, I went, therefore, through the Report of the Standing Committee, of which my friend, Shri Nitish Kumar was the Chairman, and I have tried to spend at least an hour on the entire report which comprises of almost about 23 pages in fine print. I found that hon. Member, Shri Nitish Kumar, even in that bulky report of his, has not referred to any other aspects which I have not referred to while requesting this House to consider this Bill.

In fact, half of this Report comprises only a copy of the old Act, that is, the 1958 Regulation. And then, in fact, there is one paragraph only which can be quoted. That is paragraph 19 and if you permit me I will read that paragraph.

"The Committee note that the Government have introduced the Rice-Milling Industry (Regulation) Repeal Bill, 1995 with a view to repeal the Rice-Milling Industry (Regulation) Act, 1958 (RMI Act). The Committee note that the Rice-Milling Industry (Regulation) Act, 1958 was originally enacted to regulate the establishment of rice mills for ensuring adequate supply of rice and also for ensuring the modernisation of all rice-mills."

That is what I said, in fact, in my opening remarks.

"The Government have informed the Committee that the number of modern rice mills have increased manifold and no compulsion through legislation is required any longer to ensure modernisation, as the commercial rice-millers are now aware of the advantages of utilising the modern technology for achieving quality output. Besides, the quantity of rice available for supply at present is much above the demand in the country. The Committee also note that the RMI Act enacted in 1958 was to provide reasonable facilities for the development of hand-pounding industry which provided employment to rural population. The Committee have been

[Shri Ramakant D. Kalap]

informed that the hand-pounding industry has now given way to modern rice mills due to rural electrification and it is actually on the way out and its presence in the country is negligible."

That is what he had said in the Report. I have said the same thing. The 1958 Act was enacted when we were going through what is called the Permit-Raj and everything was controlled. Even if an ordinary farmer wanted to start a small huller in his village had to go and ask for a licence. It is but harassment. In fact, by repealing this Act what is sought to be done is to remove all the controls that have been put on a simple industry like rice industry. Let the farmer breathe in free air. In fact, now we are going all hog for liberalisation and in these days to continue with the Act like the 1958 Regulation would be an anachronism on the liberty of the people. So, there is a purpose of having this.

The hon. Member also referred to the Patent Bill. I do not know how it comes under this particular aspect. Hon. Kumari Mamata Banerjee spoke about the Public Distribution System. All right. When the original 1958 Act was enacted, PDS was very much forgotten. Those were the days when we were producing enough rice in this country. Today we are surplus and we must allow everybody to - not only Delhi - day products from rice, but also to see that the rice produced by the farmers is taken to every corner of this country. When we were dealing with all the regulations how can one talk of calling upon the Government now to monitor. If at all they are talking about giving incentives to cooperatives, who has stopped them from going ahead with this? Cooperatives in the entire country have different problems in establishing industries now, once the regulation is taken away. They shall not need any permission or permit. There is no control whatsoever. Therefore, even if an individual wants to start an industry, or a group of people wants to start its own industry or a cooperative venture wants to start its industry it can really go ahead and do that work. I think the impetus to cooperatives can really be given by the people and all of us can do the work also.

SHRI SYED MASUDAL HOSSAIN (Murshidabad) : We should check the fake cooperatives also.

SHRI RAMAKANT D. KHALAP : That is altogether a different matter. Whether it is a fake cooperative or a real cooperative, we are not considering at this stage here. That can be sorted out. There is a different machinery for it.

Now, as a result of this the whole concept is gone and the hand-pounding industry which had existed in those days was very much needed. Mahatma Gandhi talked about during the freedom struggle and it was one of the main points raised by Shri Sriballav Panigrahi. But those days are no more existing. We have come over the last forty years. Electricity is available in every nook and corner of the country and hand-pounding industry has become obsolete. So, talking about those days does not lead us anywhere. Let us look ahead where we are taking the country, and our advances would be in the interests of this country.

This Bill should have been passed long long back. It is coming today after a pretty long time. While thanking the

Members once again, I may mention that the hon. Members - including those who had objected - may kindly be rest assured that no problem whatsoever will be faced by the farmers, by the general public and least of all by the Members of this House.

So, I request the hon. Members to take into consideration and pass this Bill.

[Translation]

SHRI NITISH KUMAR : He is a good lawyer.

[English]

MR. CHAIRMAN : Shri Nitish Kumar is also satisfied. So, it is good.

[Translation]

SHRI NITISH KUMAR : He is a good lawyer and will not lose any case.

[English]

MR. CHAIRMAN : The question is :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958 be taken into consideration."

The motion was adopted.

MR. CHAIRMAN : The House will now take up Clause-by-Clause consideration of the Bill.

The question is :

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1

Amendment made:

Page 1, line 3,

for "1996" substitute "1997" (2)

(Shri Ramakant D. Khalap)

MR. CHAIRMAN: The question is :

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,

for "Forty-seventh" substitute "Forty-eighth" (1)

(Shri Ramakant D. Khalap)

MR. CHAIRMAN : The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

*The Enacting Formula, as amended, was
added to the Bill.*

MR. CHAIRMAN : The question is:

"That the Long Title stand part of the Bill".

The motion was adopted.

The Long Title was added to the Bill.

SHRI RAMAKANT D. KHALAP : Sir, I beg to move :

"That the Bill, as amended, be passed."

[Translation]

SHRI NITISH KUMAR : Mr. Chairman, Sir, he has not explained as to why the concerned Minister did not come and why he has to move the Bill on his behalf.

SHRI RAMAKANT D. KHALAP : Today is his wedding anniversary.

[English]

MR. CHAIRMAN : Nitish Kumarji, a very convincing reason is there.

[Translation]

SHRI NITISH KUMAR : He will also get the charge of that Ministry.... (Interruptions) There is no objection in it.

[English]

MR. CHAIRMAN : On such occasion, you should excuse anybody.

The question is:

"That the Bill, as amended, be passed."

The Motion was adopted.

1453 hrs.

[English]

SEAMEN'S PROVIDENT FUND (AMENDMENT) BILL*

MR. CHAIRMAN : Now, we take up item number 11. Shri G. Venkatraman Tindivanam may move the motion for consideration of the Seamen's Provident Fund (Amendment) Bill, 1996.

THE MINISTER OF SURFACE TRANSPORT (SHRI T. G. VENKATRAMAN) : I beg to move :

"That the Bill to amend the Seamen's Provident Fund Act, 1966, as passed by Rajya Sabha, be taken into consideration."

With your permission, I would like to say a few words while moving the Seamen's Provident Fund (Amendment)

Bill, 1996 for consideration and approval. The Seamen's Provident Act, 1966 *inter alia* provides that the Board of Trustees will administer the provident fund. The Director-General of Shipping has been appointed by the Government as Chairman of the Board of Trustees in accordance with the provisions of sub-section (3) of section 5 of the Act. The Seamen's Provident Fund Commissioner is the Chief Executive under this Act.

In the process of implementing the provisions of the Seamen's Provident Fund Act, 1966, certain difficulties have been experienced from time to time, for example, only one bank had been nominated for operation of accounts of the organisation under section 4, maximum scales of pay have been provided in section 7, the fixed rate of contribution has been indicated in section 8 etc. Besides, the Merchant Navy Officers Association have been demanding that they should also be included within the purview of this Act so that Provident Fund Scheme is also applicable to them.

The main purposes of the amendments are:

(i) Bring certain other categories of crew such as master navigating or engineering officer etc. within the definition of 'seamen', (amendment of Section 2(B);

(ii) Allow deposit of the funds with an approved bank instead of SBI (amendment of Section 4 (3) ;

(iii) To streamline employment of officers in the Seamen's Provident Fund Office (amendment of Section 7 (2) and (4));

(iv) To lay down rate of contribution of 10 per cent or such higher rate as may be specified (amendment of Section 8);

(v) Provide for increased penalty for defaulting payments by the employers (amendment of Section 15(3) and 16(1).

In the circumstances, I move this Bill for consideration.

MR. CHAIRMAN : Motion moved:

"That the Bill to amend the Seamen's Provident Fund Act, 1966, as passed by Rajya Sabha, be taken into consideration."

SHRI T. GOVINDAN (Kasargoda) : Mr. Chairman, Sir, on behalf of my party, I support the Bill. It is a simple piece of legislation to improve the service and monetary conditions of seamen.

The shipping industry in our country is one of the most important areas and it is one of the most potential industries for employment also. The number of training centres has not been increased for a long time. So, I demand that the Certificate Training should be given to more people.

The shipping industry is sick now, because it has not been expanded. More seamen can be employed if our shipping companies are expanded. The Shipping Corporation of India is in no mood of expansion. They are not acquiring more ships.

Then, the Merchant Navy staff also have to be included within the purview of the Seamen's Provident Fund Act.

The suggestion of an increase in the rate of interest is also laudable.

The Government is reluctant towards the development of shipyards in India, especially in Kerala. No order for manufacturing of ships or ship repair works are assigned to the Cochin Shipyard. This attitude of negligence should be changed.

With these few words, I support the Bill.

SHRI SAMY V. ALAGIRI (Sivakasi) : Mr. Chairman, Sir, I thank you for giving me an opportunity to participate in this discussion. I support this simple piece of legislation and it can be passed without any controversy. But I want to make a suggestion to the hon. Minister. I want to bring to the attention of the hon. Minister the condition of the country-boat seamen. There are thousands of country-boat seamen in the coastal areas of our country. They have no Provident Fund Facility and their condition is pitiable. They have no support from the Government. So, I request the Government to consider their plight sympathetically and make some provision for their benefit in this amending Bill.

With these few words, I support this Bill on behalf of my party.

MR. CHAIRMAN : The discussion is over. The Minister may reply now. The Minister can give a detailed explanation and reply.

(Interruptions)

MR. CHAIRMAN : I am allowing the Minister to make a long speech for half-an-hour.

SHRI T. G. VENKATRAMAN : Mr. Chairman, Sir, I am thankful to you for having given me half-an-hour. But this Bill does not require half-an-hour. I cannot waste the time of the House.

SHRI NITISH KUMAR : You can take your own time.

SHRI T. G. VENKATRAMAN : The subject does not require so much time to reply.

Sir, some suggestions have been made by the hon. Members regarding increasing the number of Training Institutes and also regarding improvement of the Training Institutes. I would like to say that improvements are being contemplated and I will take into consideration the suggestion for improving the Training Institutes.

As far as the expansion of the Shipping Corporation of India is concerned, we have written to the Finance Minister and we are expecting a reply from him. After receiving the reply from him, the expansion will be made.

1500 hrs.

Hon. Member's suggestion regarding rate of percentage will also be taken into consideration.

The hon. Member has made some remarks regarding Cochin Shipping Yard, for which I wish to submit that there is absolutely nothing to say that I am disregarding the request. But the only problem is the funding. Funding is the only thing

which is looming large so far as my Ministry is concerned. If the fund situation is satisfied, I will be able to do some good work.

Regarding Shri Samy V. Alagiri's suggestions about country boats and provident fund, etc., I may submit that they have to form an association and then they have to come to the Government. Only then it will be taken into consideration.

In the circumstances explained above, I request that the Bill be passed.

MR. CHAIRMAN : Mr. Minister, the House would like to know why the amendments have become necessary? Merely, because there were fewer speakers, you please do not confine to those points alone. You are moving some very important amendments therefore the House is interested to know the reasons.

SHRI NITISH KUMAR : You give a detailed statement.

SHRI T. G. VENKATRAMAN : Sir, the Act, *inter-alia*, provides that the Board of Trustees will administer the provident fund. The Directorate General of Shipping has been appointed by the Government as Chairman of the Board of Trustees in accordance with the provisions of sub-section (3) of section 5 of the Act. The Seamen's Provident Fund Commissioner is the Chief Executive under this Act.

In the process of implementing the provisions of the Act, certain difficulties have been experienced from time to time i.e., only one bank was nominated for operation of accounts of the organisation under section 4, maximum of scales of pay have been provided in section 7, the fixed rate of contribution has been indicated in section 8 and quantum of fine and duration of imprisonment have been indicated in section 16. In addition, the Merchant Navy Officers Association has been demanding that they should also be included within the purview of this Act so that Provident Fund Scheme is also applicable to them. In the existing Act, it was essential to amend the definition of seamen so that the Merchant Navy Officers are also covered in that.

As already indicated, the Merchant Navy Officers Association have been demanding that they should be included within the purview of the provident fund scheme. Section 2 (B) provides the definition of 'seamen' which is reproduced as under :

"Seamen" means a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act 1958, but does not include a master, navigating or engineering officer, radio officer, medical officer, welfare officer, purser, electrician, nurse, musician, pilot, apprentice or deck barber."

It is now proposed to include a master, navigating or engineering officer, radio officer, medical officer, purser, electrician and apprentice. It is proposed not to include welfare officer, nurse musician, pilot or deck barber. The main justification for not including these officers is that they are not part of crew of the ship and as such it may not be appropriate to include them under the definition of the seaman in order to provide provident fund benefit.

Section 4 of the existing Act provides that all the money received in the fund should be deposited in the State Bank of India only. This Act was enacted in the year 1966 and at that time banks were not nationalised. In 1969, the banks were nationalised and as such it is now proposed to include all the nationalised banks (banks approved by the Government) as this will facilitate wider banking facilities to seamen.

Accordingly, it is proposed to substitute the words "approved banks" for words "State Bank of India" in section 4 of the Act. It is also proposed to provide an explanation (foot note) to the effect that "approved banks" means State Bank of India constituted under section 3 of the State Bank of India Act, 1955 or a subsidiary bank constituted under section 3 of the State Bank of India (Subsidiary Banks) Act, 1959 or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or a Corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

At present, section 7 (1) of the Act enables the Central Government to appoint a Seamen's Provident Fund Commissioner.

Further section 7 (2) of the Act provides that the Central Government may also appoint as many Deputy Seamen's Provident Fund Commissioners on the basis of work load and other officers whose maximum monthly salary is not less than Rs. 600/-. Over the years, scales of pay have already crossed this limit of Rs. 600/- and are bound to undergo revision in future. Therefore, it is proposed to omit the mention of scales of pay in respect of appointment of such officers.

The basic intention of the Act is to provide for appointment of Commissioner, Seamen's Provident Fund, and Deputy Commissioners, Seamen's Provident Fund, by the Central Government only and other officers be appointed by the Board. Section 7 (3) of the Act also provides appointment of other officers like Accounts Officer and Administrative Officer by the Board. Therefore, it is proposed to delete the words "other officers" from section 7(2) of the Act as the same are already covered under section 7(3) of the Act.

Section 8 of the Act provides for rate of contribution being payable by the employer from time to time. The scheme provides for the contribution at the rate of six per cent up to 31st March, 1968 and at the rate of eight per cent thereafter upto 31st December, 1977. The rate of contribution is fixed by the Board of Trustees from time to time and the guiding factor in determination of the rate of contribution is the rate of contribution fixed by the Ministry of Labour under the Employees Provident Fund Scheme. The present rate of contribution is ten per cent. Since the percentage limit of contribution does not remain static, it is proposed to amend this section to provide for percentage of contribution to be not less than ten per cent of the wages paid with effect from 1.1.1978 so that the rate of contribution could be fixed under the administrative instructions issued from time to time depending upon the requirement, and the need to amend it may not arise in future.

Section 16(1) of the Act stipulates that any person, who

knowingly makes or causes to be made any false statement or false representation with the intention of avoiding any payment to be made under the Provident Fund, shall be liable to be imprisoned upto six months or would be liable to pay a fine which may extend to Rs. 1,000/- or both. This Act was enacted in the year, 1966 and in the present context, a fine of Rs. 1,000/- has become meaningless and hardly acts as a deterrent. In order to ensure that the shipowners contribute to the scheme and do not avoid any contribution, it is proposed to amend this section so as to provide that the period of imprisonment may be enhanced to one year and the maximum leviable fine may be increased to Rs. 50,000/- or with both.

The Seamen's Provident Fund (Amendment) Bill was introduced in the Rajya Sabha on 22.12.95 and was referred to the Standing Committee on Transport and Tourism. A meeting of the Standing Committee was held on 17.1.96 in Parliament House. Due to the fact that passenger vessels would be operating on various routes in the country as well as on international voyages, it was decided that nurses and welfare officers who would be sailing on board these passenger vessels should not stand to be excluded from the definition of Seamen. Therefore, the inclusion of nurses and welfare officers within the purview of Section 2 (c) of the Bill was required to be considered.

The Committee submitted its report to the Rajya Sabha on 28.2.96 incorporating the above. Now, the Bill is to be taken up for consideration as Seamen's Provident Fund (Amendment) Bill 1996 and passed in this Session, incorporating therein the suggestions contained in the Report of the Standing Committee on Transport and Tourism.

MR CHAIRMAN Shri V. Alagiri Samy would like to know whether some more persons could be included under the definition of 'Seamen'. Shri Alagiri Samy, you can specifically say whom you are proposing to be included in this.

SHRI SAMY V. ALAGIRI : Sir, there are thousands of boatmen in our country, but they all come under unorganised labour. They are fighting against the trawler operators. These boatmen go into the sea and would not come back for ten days or fifteen days. Their families eagerly await them because they do not know when they will come back. The Government must organise these country boatmen to give provident fund facility to them. The Government must support them because the guarantee for their lives is questionable. The Government may please consider this.

SHRI T. G. VENKATRAMAN : I do take the suggestion of the hon. Member. But I wish to tell him that first let them form an association and then approach the Government with the Articles so that it can approve it.

SHRI MADHUKAR SARPOTDAR (Mumbai North-West) Thank you, Sir. I have been quietly listening to the speeches of the hon. Members on the provision made for the sea employees. My query is whether the service conditions of the persons working on a temporary basis and on a contract basis in the canteen on the sea as electricians and plumbers and as many other categories have been taken into account while introducing these provisions in the Bill. They have been

always engaged on contract. Has this facility been extended to those employees? Besides, there are a number of employees who go for loading and unloading also on sea. They travel along the sea. I would like to know whether such employees have been taken into this category of provident fund and whether they have been extended this facility. A number of people travel on the sea for ten or 15 days and for a number of days they remain away. They are always in dangerous atmosphere. I would like to know whether while extending this facility to the employees in general, it has been extended to such categories of employees also. I would like to know particularly whether the recommendations made in the Standing Committee report have been taken into account by the Government while introducing this amendment in the Bill.

MR. CHAIRMAN : The hon. Minister will let us know what is recommended in the Standing Committee report about this particular category of employees.

SHRI T. G. VENKATRAMAN : A country-boat, as a matter of fact, does not come within our purview, as I already submitted. With regard to the matter which the hon. Member raised, I wish to submit that the amendments have been sent to the Law Department and also to the Labour Department. They are of the view that the amendments should be carried out and none of them has been left out. After all, they are travelling but they do not form the crew of ship. That is the point they have raised. On that legal point, they said that they are not entitled. That is why, this amendment is brought.

SHRI P. NAMGYAL (Ladakh) : My suggestion is to adjourn the House for 15 minutes.

MR. CHAIRMAN : No. We are serious here. Please take your seat. Do you have any doubt about the Standing Committee, Shri Subrata Mukherjee?

SHRI SUBRATA MUKHERJEE (Raiganj) : No.

MR. CHAIRMAN : Shri P. Namgyal, do you have any doubt?

SHRI P. NAMGYAL : I have no doubts.

MR. CHAIRMAN : Shri Nitish Kumar, what is your doubt?

[Translation]

SHRI NITISH KUMAR : Sir, satisfactory reply has not been given with regard to two, three main points raised here. The reply given to the question of Sarpotdarji regarding definition of seaman is not satisfactory. The lives of trained labourers working in the ship should also be given importance. What is the point of objection from the Ministry of Law. Do you accept it principally or not. If not, what would be its impact. Now during debate on this Bill all the Members are not present. Many other Members, who belong to coastal area, would have taken part in this debate if it were to be introduced some other day. We are not from coastal area even then we are not satisfied with it. Lives of all the persons travelling on ship are equally important. Their families also wait for them and pray for their safety. Is there any security, protection and provision of P.F. for them? There is no security

cover for people of unorganised sector. Hon. Minister has stated that the people of unorganised sector has not formed any association and not given any representation, thus it has not been considered. It is not a satisfactory reply. The Government should take notice of requirements of the unorganised sector and express its view point towards them. What is the view point and principle of the Government regarding inclusion of these people? You have only read out the written reply given to you. Instead of enlightening us on this matter you have simply read out the prepared speech. You belong to coastal area and should share your experiences with us. We are not satisfied with the reply given. Do you feel satisfied? I have not much knowledge on this subject but on the basis of the points raised here, this legislation seems incomplete. I would like to know about the Government's attitude towards unorganised sector. Secondly do you principally want to provide protection to people who travel with sailor of ship.

[English]

MR. CHAIRMAN : Kumari Mamata Banerjee has got some doubts. She can raise those doubts after this reply.

SHRI T. G. VENKATRAMAN : I quite agree to the points raised by the hon. Member. But the original Act says like this. We are now amending the original Act only. The sub-Clause (1) is there in the original Act. There, it is defined who is seaman. It says and I quote:

"Seamen" means a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act but does not include a master etc."

They have explained the categories.

SHRI NITISH KUMAR : Do you intend to change the definition of seaman? There is a definition of the seaman. You are amending the Act. Do you propose to change the definition or amend the definition of seaman? That is the question which I am asking now.

SHRI T. G. VENKATRAMAN : I will answer this question.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU) : If it is not within the scope of the Bill, the Minister cannot answer. If it is only within the scope of the Bill, he will answer.....*(Interruptions)*

SHRI T.G. VENKATRAMAN : I will answer your question. Please allow me to answer this question.

The amendment is carried out to the Act. What we are amending is the original Act. Already an existing Act is there. The categories which you are describing are not there in the original Act. That is why, I am reading out the explanation. Sub-Clause (1) says :

"Seaman" means a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act but does not include a master etc."

Even there, they want to prohibit certain persons as

shipping crew. Therefore, the original Act is there. Now, you are making all these suggestions. You can put them to me and those will be considered. But I cannot carry this out in this amendment because the original Act is there. The original Act does not contain the matters which you are canvassing now. Therefore, what you have stated will be taken into consideration in future but not now.

KUMARI MAMATA BANERJEE (Calcutta South) : Sir, we are not satisfied or we are not convinced with the reply of the hon. Minister because there are lakhs of seamen.

MR. CHAIRMAN : You can put any number of questions. But you do not say that the Minister's reply is not satisfactory. It was a very exhaustive reply. You put the questions and the Minister will reply.

KUMARI MAMATA BANERJEE (Calcutta South) : Why I am asking this question is because there are lakhs of seamen working under the contractors. There are some seamen who come from unorganised sector. I know about it. Specially, in Calcutta, there is a marine centre. I know about that. All over the country, there are some sea-zone areas. Whenever people go from one area to the other area, there is no communication. Sometimes, if the ships are missing, the family members of the crew eagerly wait for the information as to what happened to the seamen. You can bring forward an amendment. That is all right. But can you not take a *suo motu* decision on humanitarian grounds? Can you not take a decision saying that there must be a Board so that the family members get at least the information? They should define the category of the seamen who are working under the contractors and who are in the unorganised sector. They are also the people of this country. Sometimes, they do not have jobs. Sometimes, they get the job. In a year, they get job for three months but for nine months they do not get any job. So, please look into the matter carefully. If you have given notice of a written amendment, you cannot change it now. But you can assure the House about it. There must be some *suo motu* statement, some *suo motu* decision from the Government saying that the Government can do it on humanitarian grounds to save the lives of the human beings.

MR. CHAIRMAN : Mr. Minister, you can answer after all the Questions are put.

Yes, Shri P. R. Dasmunsi.

SHRI P. R. DASMUNSI (Howrah) : Mr. Chairman, Sir, I heard the hon. Minister - his interpretation and explanation on the clause.

Now, as I understand from the overall approach of the U.F. Government, their total commitment about their policies and all these things is only outside the Parliament. (Interruptions)... In line of that I am talking. Their total sympathy for the downtrodden, poor, suffering humanity etc., is outside the Parliament.

Sir, for the last 15 years in the inland water system of India (i) within the territory of India and (ii) for the international borders also - the vessels that operate are not only the large ships but there are other vessels also which carry goods,

fish including the fish trawlers who go for hunting. Now, taking all these things into account - I do not know whether you have made any assessment - whomsoever operate in the vessel and go to the boat, three-fourths of them are still considered to be hired or contracted labour without any social security by the Government or by the association or by the companies who look after them.

Even in his own interpretation, the hon. Minister says that 'Seamen's definition also excludes the masters'. The masters are not included. All those who go even in the big ship, are not treated as seamen.

Do you therefore feel that the amendment that you are bringing is a comprehensive one? Do you therefore feel that these amendments will satisfy the cause of the people? If not, why are you pressing for these amendments? You come out with comprehensive approach suiting your Government policy. Why are you doing it hurriedly in a piecemeal manner? That is my question to you.

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands) : Mr. Chairman, Sir, I would like to know from the hon. Minister certain clarifications.

I believe that the present amendment has been brought in relation to the seamen working under the Merchant Shipping Act. If that is so, there are varieties of categories of seamen working with the Government departments, working with many other companies which do not come under the Merchant Shipping Act.

Now, when such a large number of people are there with insecurity of their jobs, what was the need for the Government to come specifically with the piecemeal amendments for the sections of the seamen in the country? That is my first point.

My second point is this. Whether those people who are working under the Government vessels but not on sign-on and sign-off basis. They do not have a CDC but they do work in the vessels and sometimes even in the sea over the vessels. Under such a condition, what is he thinking for them?

Thirdly, there are other categories of seamen working in the Indian Steam Vessel. There are certain other Registration Acts also. But whether they work in a big ship registered under some other Act or whether they are working under the Government registered vessels owned by the Government departments, their working system and the working conditions are the similar. So, when that is so, why is the Government not considering to bring a comprehensive legislation for all those categories of people working in the vessels and working in the mid-sea?

Fourthly, in the Merchant Shipping Act, those people who are working are all on sign-on and sign-off basis and, thereafter, in a percentage of his period of services he will be away from his job. And, there are certain periods for which he is working... (Interruptions)

I would like to know from the Minister if he could kindly clarify the position whether all categories of people can be brought under one legislative umbrella, so that all kinds of people will be benefited.

SHRI T. G. VENKATRAMAN : I have got all the sympathies for what the Members have expressed. It is not as though inhumanly I have brought this Bill. What we are concerned with is only the Seamen's Provident Fund where certain anomalies have appeared. This is an Act passed in 1966. We had carried out certain amendments to it which were anomalous and it requires to be rectified by way of an amendment. However, I will keep all the points expressed by my learned friends for consideration at a future date... (Interruptions)

I have taken into consideration what he has stated. But I cannot put all these things in this Bill. This Act has been there already. Anomalies have appeared in it. Therefore, for the purpose of rectifying them, this Bill has been brought forward... (Interruptions)

MR. CHAIRMAN : All these suggestions will be considered in the future legislation. All the hon. Members may please note that this is a legislation passed by Rajya Sabha. So, the purpose is served by discussing this much (Interruptions)

SHRI P.R. DASMUNSI : The Minister has given an assurance, Sir.

SHRI T. G. VENKATRAMAN : I said it will be considered. It does not amount to an assurance. It will be considered.

MR. CHAIRMAN : Now we are approaching 3.30 p.m. This is Seamen's Provident Fund (Amendment) Bill. Whatever comes under the scope of this Bill only can be considered. All your suggestions will be taken up for future legislation. That is being noted by the Minister.

Anyway, we had a very nice discussion. I thank all the hon. Members for their participation. Let us now take up the motion for consideration of the Bill.

The question is:

"That the Seamen's Provident Fund (Amendment) Bill, 1996, as passed by Rajya Sabha, be taken into consideration"

The motion was adopted.

MR. CHAIRMAN : The House shall now take up clause by clause consideration of the Bill.

The question is:

"That clauses 2 to 7 stand part of the Bill."

The motion was adopted.

Clauses 2 to 7 were added to the Bill.

Clause 1

Amendment made:

Page 1, line 4,

for "1996" substitute "1997" (2)

(Shri T. G. Venkatraman)

MR. CHAIRMAN : The question is.

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,-

for "Forty-seventh" substitute "Forty-eighth" (1)

(Shri T. G. Venkatraman)

MR. CHAIRMAN : The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

MR. CHAIRMAN : The question is :

"That the Long Title stand part of The Bill"

The motion was adopted

The Long Title was added to the Bill.

SHRI T. G. VENKATRAMAN : I beg to move :

"That the Bill, as amended, be passed "

MR. CHAIRMAN : The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

MR. CHAIRMAN : Now the time is 3.30 p.m. Let us take up Private Members' Business - Bills for introduction.

Shri Salahuddin Owaisi - not present.

Shrimati Bhavna Chikhalia - not present.

Kumari Uma Bharati - not present.

Shrimati Sumitra Mahajan - not present.

Shri Ashok Kumar Pradhan - not present.

Shri Mangal Ram Premi - not present.

Shri G.M. Banatwalla - not present.

...(Interruptions)

KUMARI MAMATA BANERJEE (Calcutta South) : Sir, we should send this list to the Guinness Book of World Records.

MR. CHAIRMAN : Item No. 14, Shri Sanat Mehta.

1531 hrs.

Indian Labour Bill**[English]*

SHRI SANAT MEHTA (Surendra Nagar) : Sir, I beg to move for leave to introduce a Bill to simplify, rationalise and consolidate the laws relating to labour so as to make them less complex for easier comprehension, implementation and enforcement.

MR. CHAIRMAN : The question is:

"That leave be granted to introduce a Bill to simplify, rationalise and consolidate the laws relating to labour so as to make them less complex for easier comprehension, implementation and enforcement."

The motion was adopted.

SHRI SANAT MEHTA : I introduce the Bill

1532 hrs.

Prohibition Bill**[English]*

DR. GIRIJA VYAS (Udaipur) : Sir, I beg to move for leave to introduce a Bill to provide for total prohibition and for matters connected therewith.

MR. CHAIRMAN : The question is:

"That leave be granted to introduce a Bill to provide for total prohibition and for matters connected therewith."

The motion was adopted.

DR. GIRIJA VYAS : Sir, I introduce the Bill

1533 hrs.

Widows (Protection and Welfare) Bill**[English]*

SHRI SUBRATA MUKHERJEE (Raiganj) : Sir, I beg to move for leave to introduce a Bill to provide for the protection and welfare of widows.

MR. CHAIRMAN : The question is:

"That leave be granted to introduce a Bill to provide for the protection and welfare of widows."

The motion was adopted.

SHRI SUBRATA MUKHERJEE : Sir, I introduce the Bill

1535 hrs.

**GOVERNMENT OF UNION TERRITORY OF ANDAMAN
AND NICOBAR ISLANDS BILL* — Contd.***[English]*

MR. CHAIRMAN : Now, the House shall take up item No. 20, which is 'further consideration of the motion moved by Shri Basu Deb Acharia.' Time allotted for discussing this was two hours. We have already taken one hour and two minutes. So, the time left now is only 58 minutes.

SHRI BASU DEB ACHARIA (Bankura) : Please extend the time for discussing this.

KUMARI MAMATA BENERJEE : Sir, this is a very important Bill, so please extend the time.

MR. CHAIRMAN : There are only four speakers to speak. Let us see that. If necessary, we will think of that. Kumari Mamata Banerjee, you will get enough time to participate. Please do not worry about that.

Shri Manoranjan Bhakta was on his legs. Shri Bhakta

SHRI MANORANJAN BHAKTA : Mr. Chairman, Sir, I am grateful to my hon. friend, Shri Basu Deb Acharia for having brought this Bill before the House, to kindle the hopes and aspirations of the people of Andaman and Nicobar Islands.

Andaman and Nicobar Islands, as you know, is inhabited by people from different States with different languages, religions, castes, etc. But it has been the culture of the Islands to be one society and to be known as 'mini-India', as Shrimati Indira Gandhi termed it.

It is also one of the great features of the Island territories that there is no communal riots taking place in that part of the country. The practice of untouchability is not there.

[Translation]

SHRI P. R. DASMUNSI (Howrah) : Because BJP is not in power there.

[English]

SHRI MANORANJAN BHAKTA : BJP is there, still they could not start that kind of an activity there, which they are doing here. That is why, it is absolutely necessary and essential to see that the hopes and aspirations of the people are given due regard, and the Government should take appropriate action for that.

I would also like to mention here that when the paper regarding 'transfer of power' came from England to India, for some reason or the other, the British Government did not make a mention of Andaman and Nicobar Islands with India. There was also a very strong demand from Mr. Jinnah that this Territory, neither historically nor geographically is a part of India and that this land should be given to Pakistan. While demanding so, he was putting forward his argument that to have a link between West Pakistan and East Pakistan, there could be a water passage between them. He was saying like that. But Lord Mountbatten, the then leaders of India and the leaders of the Indian National Congress were putting

* Published in the Gazette of India, Extraordinary, Part-II, Section-2, dated 21.2.97

[Shri Manoranjan Bhakta]

pressure and said that this land belonged to India and that was a land of Indian Union and so, there could not be any compromise on that. After that only, it was included in the papers of 'transfer of power' to India.

In the Constituent Assembly, there was a discussion about 'Chief Commission of provinces'. There was a Drafting Committee and during that time, very eminent personalities were there in that. Shri B. Pattabi Seetharamaiah was the Chairman; Shri A. N. Gopalwamy Iyengar, Deshbandu Gupta, M. Santhanam, C. M. Poonacha, Mukund Biharilal Bhargava were the Members. All these people had discussed about the Union Territories or the small Territories about their future administrative system, etc.

While doing so, Shri Gopalwamy Iyengar said - they said that these are the minor provinces - that each of these minor provinces should have a Legislature of their own. Mr. Home Minister, the word, 'Legislature' has to be noted. He said, 'each of these provinces should have a Legislature. Of course, there are other organs like the Executive and the Judiciary also. They have narrated all these points in detail as well. But they have mentioned very categorically regarding Andaman and Nicobar Islands. They said that these were penal settlements; these are extremely backward areas and for their development, peace and progress, these area should remain under the administrative control of the Central Government. The Central Government should look after the welfare of the people of these territories. They should also take up other kinds of administrative systems that are necessary from time to time for these territories.

Sir, article 239 of the Constitution of India under the title "Union Territories" was substituted by the Constitution (Seventh Amendment) Act for the heading "THE STATES IN PART C OF THE FIRST SCHEDULE". This article was replaced by a new article by the Constitution (Seventh Amendment) Act, 1956. Article 239 (i) provided that -

"Save as otherwise provided by Parliament by law, every Union Territory shall be administered by the President acting, to such extent as he thinks fit, through an administrator to be appointed by him with such designation as he may specify".

It also added that the President should appoint a Governor of a State as the administrator of an adjoining territory. In such cases, the Governor should exercise his functions as an administrator independently without any aid and advice of the Council of Ministers of the State where originally he has been appointed as the Governor.

Sir, this article 239 empowered the Parliament to create a Legislature and Council of Ministers for the Union Territories of Himachal Pradesh, Manipur, Tripura, Goa, Daman and Diu, and Pondicherry. We shall have to understand that most of these Union Territories were having territorial Council at the beginning. They had the Advisory Committee but subsequently the Government conceded to the popular demand by which they wanted that people should be given their full democratic rights.

In Part IX which made provisions for territories included in part (d) of the First Schedule, 'Andaman and Nicobar Islands' was deleted by the Constitution (Seventh Amendment) Act, 1956, consequent on the inclusion of these islands among the Union Territories in Part VIII. So, all those territories - Lakshadweep, Andaman and Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, the existing Union Territories have been incorporated in the First Schedule.

Now, I would like to quote what Shri Basudevan Nair, a prominent Communist leader, while participating in the debate on Government Territories Act on 4th May, 1963 said. I quote:

"In regard to Lakshadweep and Minicoy Islands, even today these unfortunate people do not have the right to suffrage. They are also citizens of this country. I do not know why we are considering them as second class citizens of this country".

Note this wording, 'second class citizens of this country'.

"I would like the Government to give proper attention to the development of these territories which are left in the lurch and which do not come within the scope of this Bill. These are the general observations that I have to make before I enter into the proper body of the Bill".

In all the debates which took place either in the Government of Union Territories Act or in the National Capital Territory of Delhi Act, the general view of all the Members irrespective of their parties was that all the citizens of this country should be treated alike. There should not be any difference between them. It is unfortunate that the people of Andaman and Nicobar Islands have no right to elect the President of India whereas the people of other States have a right to participate in the election of the President. They have a right to determine their fate and future but so far as Andaman and Nicobar Islands or other Union Territories of its kind are concerned their citizens are treated as second class citizens.

I fully agree and endorse the view that the Central Government is providing money for the development of these Union Territories but we all know how this money is spent, what type of development is taking place and how this money is being misused by one man administration. One person is all in all. He can do and undo anything, even the proceedings of this House. That is why, we say that the representative government is a must. When the country has accepted the democratic polity there is no reason why the demands of small territories should be ignored. They may be small in number but they should not be deprived of the rights which their other brothers and sisters living in other parts of the country are enjoying.

I would like to remind the House that there are about 40 island countries in the world which are also the Members of UN. So, it is a fact that population cannot come in the way.

I would also like to mention the recommendation of the Estimates Committee (31st Report, 1992-93) which says

"The Committee find that the Union Territories are comprised of areas quite diverse in regard to their

history, geographical location, magnitude and composition of their inhabitants, economic development and finally their Constitutional and administrative set up

They also find that each one of the territories stands on a different footing. However all the territories share one common feature, which is the absence of a fully representative government

Notwithstanding the fact that in Pondicherry the administrative set up is founded on a more popular basis as also the possibility of a similar treatment being given to Delhi at a future date, the Union Territories stand as a class apart from rest of the country in the sense that the citizens of these Territories do not enjoy the democratic rights in exactly the same manner as their compatriots in the States of the Union.

The Committee find that one of the most persuasive arguments in favour of maintaining this state of affairs has been (1) the small size of population in these territories which arguably does not justify a full-fledged legislature and a Council of Ministers with all its attendant paraphernalia and (2) the fact that no uniform system can be adopted for all the Union Territories. Forceful as these arguments may be the Committee cannot overlook the basic question posed by the discerning observers as also by the general populace of these territories

The question is, why the citizens living in these territories ought not to have some definite Constitutional mechanism to provide them an effective say in running the administration of these territories."

1550 hrs.

[COL. RAO RAM SINGH *in the Chair*]

That was an all-party Committee and it had recommended unanimously to the Government of India that democratic and Constitutional rights should be provided to the people of the Union Territory of Andaman and Nicobar Islands. Unfortunately, it seems that either the Government have no time to go through those recommendations and arrive at a conclusion or they prefer to remain ignorant of it for reasons best known to them.

I would like to reiterate one point. While violent activities are going on and people are taking to arms in certain States like Nagaland, Mizoram, Manipur, we should ask ourselves as to why such things are happening. Why are those people raising their heads in revolt, and why are they taking to arms? This question needs to be answered. If you do not take timely action when peace-loving people come to the Government for redressal of their grievances, the situation may lead to rebellions, the same people may be led to take up arms which would result in damage to Government property. At that time even if you come and say, "Please come to the table and discuss," that would be of no avail. It is high time the wishes of the peace-loving people of the Union Territory of

Andaman and Nicobar are taken serious note of.

This is not a new issue for the people of the Union Territory. They represented it time and again. It has been their demand for years. For the last 20 to 25 years we have been requesting the Government of India. Whenever a dignitary visits the islands, whenever a discussion is held, he assures that the issue would be considered. The question that occurs to every dignitary who is on a visit to the islands is, "then there is one type of system all over the country why should the system be different here?" Consequently, they assure the local people that they would do something in this connection. But nothing happens and time passes as always. People are getting more and more frustrated day by day and there does not seem to be any remedy for it.

I am really grateful to Shri Acharia that he has given me opportunity to participate in this debate. This is a historic day for the people of the Islands. When the entire House is one mood I do not think that there will be any reason for the Government to deny this right to the people of Andaman and Nicobar Islands.

There is another important aspect to which I would like to draw the attention of the House. Article 240 of the Constitution states that providing good governance and development for the Union Territories is the duty of the Central Government. I would like to ask the Home Minister if he is happy and satisfied with the governance provided, if he thinks that he has provided good governance to the islands and if he has provided for uninterrupted development in those areas. The actual position has to be analysed.

The Home Ministry, in its Action Taken Report, stated that after coming into effect of the Panchayati Raj institutions in Andaman & Nicobar Islands the people will have more Authority in their hands.

I would like to submit that the regulations of Panchayati Raj and the Nagar Palika are now in force in Andaman and Nicobar Islands. Elections were held about one and a half years ago. The institutions of Panchayati Raj, Gram Panchayat, Panchayat Samiti, Zila Parishad and the Municipal Council are frustrated today. Why is this frustration? It is because the regulations are such that you want to give them power, but there is no empowerment. If the P.R. Institutions want to issue a letter, they cannot. They cannot even appoint a labour. The Panchayats cannot appoint a labour to implement the work. The appointment letter has to be issued by the Chief Secretary of the Administration. Is it the system of decentralisation? Is it the system of empowerment? This is what centralisation is. (Interruptions)

SHRI CHITTA BASU (Barasat) Is the power also there?

SHRI MANORANJAN BHAKTA No, it is not there. They have mentioned 'as prescribed' and the prescription has not gone from here. No prescription has come. All the regulations and rules are 'as prescribed'. This prescription will be provided by the Administration but the prescription has not come. So, works are lying. The Administration say that they cannot do anything and that they have to send all the papers to them for

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approval. Then what is the meaning of this Constitutional amendment until and unless proper powers are given to the local bodies.

Similarly, they have appointed a Finance Commission on year back to provide the fund for the Administration. Unfortunately, the Finance Commission of Andaman and Nicobar Islands is sitting at Delhi. Maybe once or twice they might have gone there, but their head office is here. Of course, they may say that some other Union Territory is also in their purview. So they made the headquarters at Delhi. But my only point is that if the Finance Commission take that much time to submit even an Interim Report, how can the things be done? Elected representatives are frustrated. People are asking-

[Translation]

We have elected you with a thumping majority but you are not working for betterment of the area. Common man does not accept our plea that we are not given administrative approval and funds to execute their work.

[English]

It is the responsibility of the Central Government to take care of the Union Territories. The Central Government have to answer for the failure of the Union Territories. They cannot escape from this responsibility. They will have to be accountable for all the happenings in the Union Territory. The Central Government pass some kind of statement when there is some problem in the Union Territories. I can understand the position of the Central Government in this regard. ... (Interruptions)

MR. CHAIRMAN : You have taken 25 minutes only !

SHRI MANORANJAN BHAKTA : The Bill is on Andaman and Nicobar Islands.

MR. CHAIRMAN : I can understand. But there are so many hon. Members who are interested in your constituency. I think that you should also give them an opportunity.

SHRI MANORANJAN BHAKTA : You are a very lovable person.

MR. CHAIRMAN : I can only request you. You have already taken 25 minutes. Shri Manoranjanji, there are at least eight hon. Members to speak on this Bill. The debate on this Bill has to end at 1622 hours. The allotted time is two hours.

KUMARI MAMATA BANERJEE : The time may be extended.

1600 hrs.

SHRI MANORANJAN BHAKTA : Mr. Chairman, you are a very lovable and a very sympathetic person for the Union Territory. I am very happy that you have kindly considered my request.

Sir, the question here is that when there is a failure of a State, then the Central Government make a statement that it is not their responsibility, but in the case of failure of Union Territories, who will be held responsible? The union

Government must say that they could not do anything and it is their failure. That is why I am saying that good Governments in the Union Territories have completely failed. Earlier, there used to be a Pradesh Council. That Council used to discussed subject which come under the State List and the subjects which are enumerated in the Concurrent List. But, unceremoniously, that Pradesh Council has been abolished. By doing so, I want to know what new avenue, you have created. You have not created any new avenue. Now, you have Panchayats, Gram Panchayats, Panchayat Samitis and Zila Parishads. In addition to this, you have nothing. There is no say of the elected representatives here.

MR. CHAIRMAN : There are Zila Parishads.

SHRI MANORANJAN BHAKTA : Zila Parishads are there. I want to know why there are Assemblies or Legislatures in other big states. You have created this system. You have taken a policy decision. When you are accepting the people as supreme, in that case, the policies are to be decided by the people, through their representatives. That is why, I am saying, if this Bill is passed, it will usher in a new era for the Union Territory of Andaman and Nicobar Islands.

Sir, most of the Departments in Andaman and Nicobar Islands are running on an *ad hoc* basis. Why should they run on an *ad hoc* basis? The recruitment for Group A and Group B services are done by the UPSC. They send the names to the local Administration. The local Administration, then sends the offers to the candidates. Most of these people, particularly in the specialised category, do not join these services. Because of this, the UPSC have to again go in for a fresh recruitment. Under such circumstances, time and again, we have been requesting the Government to advertise such posts within the Islands. There are many qualified people who should be given an opportunity to serve the Government. There should be a Selection Board. Let that Selection Board recruit qualified people who can remain and work there. I am not saying that the qualification should be reduced. This matter should be taken up with the UPSC. In case UPSC do not want to give relaxation for this purpose, the Cabinet can do it. Subsequently, in the Report of the UPSC, it was there but the Government have over-ruled them. The House is fully competent to take note of that. That is why what happens is that many of the posts are filled up on an *ad hoc* basis. Even people are working for more than 20 years on an *ad hoc* basis. In such circumstances how can the Administration run? it is not possible to run the Administration.

Sir, unemployment problem is mounting up. There is no definite programme of the Administration to face this unemployment problem.

Until and unless that is done what will the younger elements of the society do? If we cannot contain them with a reasonable offer of providing employment or by creating opportunities for employment, how the younger elements will participate in the nation building process?

Similarly, the medical officers in such remote areas, where the medical facilities for treatment are acute, face the same problems. Sometime they do not even get the minimum necessary facilities in such areas. Those doctors have been

working there for years together. They have to fight in the court of law to become regular in their jobs. Why the Central Government has no sympathy for them? When those medical officers are regularised on the basis of the court order, no cadre is given to them. They are without cadre, though in those times, the CGHS cadre was there and from that cadre only the medical officers were appointed.

Similarly, as all of you know, during the last Session I brought to the notice of the House the progress of the developmental activities in the Union Territory. All the developmental activities are on standstill. One cannot collect sand, one cannot collect stone, one cannot construct the roads and number of water supply schemes are pending for quite a long time. Why is it so?

Now the clearance from the Environment authorities has to be taken. Then, after getting the clearance from Environment authorities, you need sand and stone. Until and unless sand and stone are available one cannot do anything. If the matter is pending with the Supreme Court, it is the responsibility of the Central Government to bring this particular problem before the Supreme Court for its quick disposal. It is not my duty to get the matter cleared from the Supreme Court. Then, the Ministry of Environment and Forests advises the Andaman & Nicobar Island authorities to go to the court. Now Andaman & Nicobar Islands, being a Union Territory, are advised to go to the court against Central Govt. What sort of advice is this?

In the mainland I can understand the collection of sea sand as there are rivers and sand is available there. There are stone quarries in Andaman & Nicobar Islands and we have sea on all sides. So, naturally there is an need for special dispensation and special consideration in this case. This should have been taken care of by the Central Government.

Fortunately the Minister of Environment and Forests went to Port Blair recently along with the Consultative Committee of the Ministry and now they have come to know the problems faced by the people there. For one year period they have given permission to collect sand. But for that so much of paraphernalia is being kept that I do not know how much it will take even to get a truck load of sand. Similar conditions are there for stone collection.

I am saying all this because Andaman & Nicobar Islands are situated in a very strategic location. We are bordered by Myanmar, Thailand, Malaysia and Indonesia. So with such strategical position, it is the responsibility of the Central Government to take care of all this.

Sir, I would also like to mention the security position as of today.

It is unfortunate for me to raise the issue but I am compelled to do so. A large number of poachers are entering. Every month their boats are being captured. Even now 119 Myanmar people were sent back. There is not a single year when a large number of those foreign poachers have not been arrested. Some of them could manage and go scot-free and some of them fled away.

MR. CHAIRMAN : Shri Manoranjan Bhakta, I am sorry to

interrupt you. How much time will you take? You had taken ten minutes in the last session and now you have taken forty minutes.

SHRI MANORANJAN BHAKTA : Sir, I will try to conclude my speech as early as possible.

MR. CHAIRMAN : Please try to conclude your speech early because Shri Chitta Basu has to attend a meeting and he wants to speak. He is very much interested in the welfare of Andaman and Nicobar Islands. So, please give him a chance to speak.

SHRI MANORANJAN BHAKTA : Yes, Sir. I will try to complete my speech as early as possible.

Sir, I am always a very disciplined Member, as you know
...(Interruptions)

MR. CHAIRMAN : What is the population by the way?

SHRI MANORANJAN BHAKTA : Now, it will be about 3.5 lakhs. Let us take the population ratio also. What is the population of Sikkim? It is a full-fledged State. Their population is three lakhs, which is less than ours. So, that question does not arise.

MR. CHAIRMAN : How many districts are there?

SHRI MANORANJAN BHAKTA : There are two districts - Andaman and Nicobar Islands is divided by a ten degree channel.

What I was saying is that the Central Government has major say in regard to the Union Territories. Even today, after the Plan discussions are held, for spending the money allotted to the Plan schemes, again we have to send the proposals to the Central Government and it is up to their mercy. It may take six months or one year. Sometimes that year's Budget may lapse. There is no specific date or anything.

Similarly, whenever we approach any Ministry regarding Andaman and Nicobar Islands, their first reaction will be, "You go to the Home Ministry. The Home Ministry will be doing everything." What is the Home Ministry doing? For the purpose of passing the Demands for Grants in respect of the Union Territory, they consolidate the figures from all other concerned Ministries and place them before the Parliament and get it passed. That is why, you can only say that the Home Ministry is the coordinating Ministry. I think, the other Ministries - those are the responsible Ministries - cannot shirk their responsibilities for the Union Territories and they shall have to take up the cause of the Union Territories and do in their respective areas.

Then, Sir, you take up the powers of the Administrator. You can understand as to how it is going. The Administrator of Delhi is having one kind of power. The Administrator of Pondicherry will be having another kind of power. The Administrator of Andaman and Nicobar Island will be having another kind of power. Why? Andaman and Nicobar Islands is far away, 2,000 kms. away from the mainland; more than 2,500 kms. away from Delhi. So, more powers have to be given to the Administrator. Whereas in Delhi, even if you give less powers to the Administration, he can manage because

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the Ministry is at a stone throwing distance. That is why, I cannot understand as to what type of logic it is. I also cannot understand why the powers for the Administrator of Andaman and Nicobar Islands are less comparing to the powers given to the Administrator of Pondicherry and these areas, which are in mainland.

So there should be some rational approach. Some rationality should be there. They will have to decide it once for all. It cannot be like that everyday we are coming and begging and saying 'give us this and that. Then what happens? This Territory should get the proper sort of treatment from the Union Government. This is not forthcoming. I am happy that Shri Mohd. Maqbool Dar, who is the Minister of State for Home, is here.

There was a devastating fire accident in Port Blair. One portion of the market, bazaar, the main business centre, was completely gutted. About 500 people were affected. About 49 houses had been completely destroyed. Those fire victims could not save anything of their own. The Andaman Administration, the Lieutenant-Governor and officers have done commendable job. I must say that

I approached the Home Minister. I approached the Minister of State and other officers of the Home Ministry. The Minister of State, Shri Mohd. Maqbool Dar visited the Island with a team of officers. He himself has seen as to what has happened there. I do not doubt about the sincerity of the Home Ministry and the officers in this. But at the same time, the net result is the focussing point. In the net result what has been done? No relief from the Prime Minister's Relief Fund was provided. Not a single rupee for this was provided. There, those people who have lost their houses, those who are shopkeepers, for them the Municipal Council is constructing the new shops to rehabilitate them. To those who became homeless, some Government quarters have been provided to live till some alternative arrangements are made. But to those house owners, those who have lost their houses, those who have lost their sources of income, for this purpose, the Ministry of Home Affairs or any other authority has not considered anything.

Whereas in the past, in 1974, there was a similar type of another fire accident in another part of that market. At that time, the then Government provided soft loans to the house owners for construction. They had provided less rate of interest on loan and the working capital for those shopkeepers who had lost everything. Why? What has happened? Why this similar thing which has been done in the past could not be done at this time also? That I could not understand. The logic behind this is beyond my understanding.

What was said to me is that, no, they would be helped by the banks. I asked the bank people. Bank means, there will be 17 to 18 per cent interest. The fire victims have lost everything. Is it the way to treat them there? Then, at the same time, these loans they give only when their land is mortgaged to them. But in Andaman and Nicobar Islands, all the land belongs to the Government. Even if I want to transfer my right, I shall have to apply to the Government. If they permit

me, then only I can do that. Under such conditions, what is the logic behind this? That I could not understand this. Why were they not given the assistance for construction of their houses and also the working capital? In the past, it had been done. Precedent is there. So I would like to request the hon. Home Minister that, at least, kindly bear with me - the responsibility which is given to you, kindly fulfil your responsibility.

MR. CHAIRMAN : Shri Manoranjan Bhakta, now you have taken 55 minutes. So I must point out this. I think we should have some consideration for the other Members.

SHRI MANORANJAN BHAKTA : I will be doing that.

MR. CHAIRMAN : I think you should wind up now.

SHRI MANORANJAN BHAKTA : I will be winding up.

Sir, that is why now I can only mention to you and to this Government that time is running short. We must see and read the writing on the wall. And then if you see that there is no reason why you should not accept this Bill, there is no reason why you should not provide the democratic rights, the constitutional rights as citizens the citizens of the Andaman and Nicobar Islands are entitled to. And there is no reason why development of our people should not take place and why we should suffer all the time in the development of the infrastructure, our transport and communications, our education and why our people should be always looking to Delhi and why we should not be given the right to our welfare to participate in that process.

Sir, I also like to say that we have not learnt a lesson from the North-Eastern region. If they want to create another problem spot in the Bay of Bengal, of course, nobody can hold up the Government from doing so.

SHRI SONTOSH MOHAN DEV (Silchar). Do not follow us.

SHRI MANORANJAN BHAKTA : We do not follow you. We follow the footsteps of the people who were in the Central Jail at Port Blair. Even today if one visits the Andaman and Nicobar Islands one would find that those were the areas where Netaji Subhas Chandra Bose hosted the National Tri-Colour. This is Centenary year. I expected that the Central Government would come out with some big projects in that area where he came down, hosted the National Tri-Colour and where those lands were taken over by him from Japanese Emperor. Thereafter Col. Lokanathan was appointed as the Chief Commissioner, the first Indian Chief Commissioner in that part of the country.

So, if one goes through the red bricks of the Cellular Jail, perhaps one can realise for himself how our freedom fighters and all those who suffered in those gallows, the jail. Perhaps we cannot understand their feelings. We cannot. That is why, I request this House and also the Government to accept this Bill. Let us unitedly pass it and create a new example in this House.

SHRI CHITTA BASU (Barasat) : Mr. Chairman, thanks for calling me a little earlier as I am to attend a very important meeting today at 5.00 p.m.

This House had the privilege of listening to the hon Member from Andaman and Nicobar Islands who, in great detail described the urgency and the need for having a State Legislature for the Union Territory. We had also heard or listened to the arguments already advanced by the Mover of the Bill, Shri Basu Deb Acharia. After listening to those important and lengthy speeches I do not venture to make a long speech to justify the demand for having statehood for Andaman and Nicobar Islands.

Sir, there are certain criteria for Parliamentary Democracy in our country which are enshrined in the Constitution of the country. I mentioned 'Constitution of the country' only because of the fact that Andaman and Nicobar Islands have been included in the Union Territories under Part VIII of the Constitution of the country and Part VIII of the Constitution of the country the Union Territories are governed by Article 239, Article 239A, and of course Article 240 of the Constitution.

The spirit of that is very much there and now many years have passed since the Constituent Assembly had adopted this Constitution. At least the new experiences are there with us and on the basis of that we must look at the problem of the Union Territories as a whole. I think the time has come when the Constitution needs elaborate amendment in regard to the administration of the Union Territories.

Sir, I am limiting my arguments only to Andaman and Nicobar Islands. We accept four criteria universally so far as Indian democracy is concerned

Firstly, every citizen of the country has got the right to elect and to be elected. I have got the right to elect you and I have also got the right to be elected by you. This is the fundamental principle of democracy.

Secondly, I have got every right, as a citizen of this country, to participate in the decision making and in the governance of the territory or the governance of the country. Therefore, on both counts about 2.70 lakh Indian citizens of our country residing in Andaman and Nicobar Islands have been deprived of this very fundamental right of our Indian citizenship.

Thirdly, today's time demands that there should be decentralisation of power. Those days of centralisation of power have gone. The framers of the Constitution conceived of an India 50 or 60 years ago in the condition of the world, in the condition of the Indian Sub-continent and in a very different condition. But those conditions have changed today. Today there is no scope for centralisation of power. Today the only theme is decentralisation. Decentralisation is not the main theme of today's time, there are other questions also.

Fourth is the empowerment of the disadvantaged and the under-privileged.

These are the four fundamental criteria, the right to elect and to be elected, the right to participate and the right to govern, the right to have power and the right to administer as a decentralised Union. On these four counts, I think, the hon Member from Andaman and Nicobar Islands will agree with me fully.

I whole-heartedly support this Bill, because it is the desire, it is the intention, it is the dream of the Constituent Assembly and it is the dream of the democracy. If we do not fulfil that dream, we negate the Parliament and we negate the Constitution. Nobody has got the right to negate the spirit of the Constitution of our country, that is, to elect, to be elected, to participate and to be a participant of governance.

This is the basic principle and every Member who has been elected here should understand the feelings of the electors also. Unfortunately the brothers and sisters of Andaman and Nicobar Islands have not got that facility.

Sir, I was very much happy when I heard, on an earlier occasion, that the Panchayat Raj system had already been introduced in Andaman and Nicobar Islands under the provisions of the Constitution (Seventy-Third Amendment) Act. It is a bolt from the blue that there is the *panchayat*, but the *panchayat* has no powers. The *panchayat* has no power even to appoint a peon and the *panchayat* has no right even to order the construction of a village road. What kind of a *panchayat* is that? If that is so, I would like to say to the Minister of State for Home Affairs that he has no right to violate the spirit of Article 73 of the Constitution of our country. If there is a *panchayat*, it must be a true *panchayat*. That *panchayat* cannot be made hastings by some other autocratic and centralised notion and that is, I think, a crime on the Constitution.

Sir, when the Panchayat Raj was there what prevents the Government to have a greater dose of economy and having a legislature? Therefore, my dream has been further shattered by listening from the experience which has been gained by the hon. Member from Andaman. The Estimates Committee has recommended it. They must recommend it as I am recommending it. Therefore, there should not be any objection to have a larger dose of democracy for the people of Andaman and Nicobar.

While I am pleading for the statehood of the Andaman and Nicobar, I also want to draw the attention of the Government to the serious problem that the Andamanis and Nicobaris are facing today.

The first point is regarding the extinction of aborigines. I have got a long quotation to make. I do not want to waste the time of the House.

MR. CHAIRMAN : May I interrupt you for a minute? Gentlemen, the time allotted for discussion on this very important Bill was up to 4.32 p.m. If it is the desire of the Members to extend the time, it shall be extended up to 6 o'clock. I do not know whether the Minister would like to reply today.

SHRI SONTOSH MOHAN DEV : Sir, he is not prepared.

SHRI M. O. H. FAROOK (Pondicherry) : Sir, I would like to speak. I am from union territory.

MR. CHAIRMAN : Mr. Minister, would you like to reply today or not?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : Sir, I honour the emotions of the Members. I am ready to do in whatever way they like.

KUMARI MAMATA BANERJEE : Sir, we have to extend the time.

MR. CHAIRMAN : So, the time is extended upto 6 o'clock.

SHRI CHITTA BASU : Sir, there is a greater danger of extinction of aboriginals. I have got many figures to say this. The aboriginals, those who had been the inhabitants of Andaman and Nicobar are being extinguished. There are a very few people left. I think the Government should take interest to see that those aboriginals are educated, civilized and better care should be taken. Please do not abolish them or allow them to be extinguished from the earth.

Secondly, I have got a great apprehension that some international interests have already evinced their interest to make the Andamans a free port. A port almost an alternative to Hong Kong, a port alternative to some other bigger ports in South East Asia. That is a great threat to the environment of Andaman and Nicobar. This is not only an environmental threat but something more. I am not an environmentalist. The multi-national corporations are also interested to convert it into a heaven, a free heaven to have tax free trade. Sir, as he is right, the Andaman is a strategically situated area where we have many international borders to intermingle. We have got Thai's border, we have got Vietnamese border, we have got Indonesian border and other borders. A great power play is also at work there. We cannot forget the strategic conspiracies which are being hatched by the imperialists of the Western hemisphere.

Therefore, I am for the development of Andaman and Nicobar Islands. But this development is for the people of Andaman and Nicobar Islands and not to subserve the strategic interests of the foreign countries in the belly of the Indian security. Otherwise, it will increase the Indian security hazard.

Andaman and Nicobar Islands have a great potential in terms of forestry, in terms of marine life and in terms of bio-diversity. Today's world is very much after this bio-diversity. India, particularly North-East and Andaman and Nicobar Islands, is very rich in bio-diversity. In today's world, there is a great competition with regard to genes. Therefore, the Government of India should be alarmed about this kind of motivation for exploiting Andaman's soil, Andaman's forest and Andaman's environment in order to earn profits, and also endanger the security of India. If we have to meet these dangers or accept these challenges, then there is a need for greater democracy, greater scope for the people to participate in the developmental work and in the governance of the area. This alone can prevent this danger and can explore the potentialities. I hope the Government would reconsider its view if they have not, so far, agreed to confer Statehood to Andaman and Nicobar Islands. They should immediately confer this Statehood so that the people of Andaman and Nicobar Islands can preserve themselves, can advance the cause of national interest and also defend the country's unity, integrity and freedom.

My last point is that this is the centenary year of Netaji Subhash Chandra Bose. I may quite respectfully remind you that when Subhash Chandra Bose landed in Andaman and Nicobar Islands, he hoisted the Freedom Flag and named Andaman and Nicobar Islands as *Shaheed and Swaraj Dweep*. I hope that in deference to the wishes of that great patriot, great democrat and great leader of our country, the name of Andaman and Nicobar Islands, if possible, may be changed to *Shaheed and Swaraj Dweep*.

KUMARI MAMATA BANERJEE : Sir, I whole-heartedly support the Government of Union Territory of Andaman and Nicobar Islands Bill, 1996 brought by Shri Acharia.

As Shri Manoranjan Bhakta said very correctly, though Andaman and Nicobar Islands may be a small place, it is beautiful. The geographical area is large enough and it has a population of about 3.5 lakh. I personally visited Andaman and Nicobar Islands and I have seen, with my own eyes, the potentiality of that area, I mean from the tourism angle. People from abroad go to Andaman and Nicobar Islands just to see that place. It has the potential and it is such a nice place. The long-standing demand of the people of Andaman and Nicobar Islands is that they should get the Statehood.

Sir, before I start speaking on the Bill, I wish to remember our great son of the soil, Netaji Subhash Chandra Bose. We all remember that he was the first man who had set up his Provincial Government in Andaman and Nicobar Islands. It was the headquarters of the Provincial Government before Independence and before he left India. It was the headquarters of the Azad Hind Fauj. That is why, he named Andaman and Nicobar Islands as *Shaheed Dweep and Swaraj Dweep*.

So, it is a very important place. This is the year when our country is celebrating the birth centenary of Netaji Subhash Chandra Bose to whom the Government has to pay respect. When Netaji Subhash Chandra Bose himself declared provincial independent Government for that particular place and when we are now celebrating 50 years of our Independence movement, why not we give Statehood through this Bill to the people of Andaman and Nicobar Islands? What is the harm? The hopes and aspirations of the people of Andaman and Nicobar Islands are too high now. I do not say that the Central Government is not at all looking after the problems of Andaman and Nicobar Islands. I visited many of the areas of Andaman and Nicobar Islands and I have even seen the maintenance especially of the places where I happened to stay. The maintenance is really good. It is not bad. But in a democratic country and set up, people's representation and people's involvement are also a matter of concern and, that is why, last time when panchayat and municipal elections took place, I went there. It is for the first time they have been elected as members of *panchayats* and municipalities. But if a panchayat Member has no right to appoint even a labourer, how will they work even if they want to do some development work? The Central Government is giving money through the panchayat direct in every State. This is Union Territory. But can you say that money should not reach to panchayat raj? Then there should be another amendment to this Bill in this Parliament. There may be some discrimination. How can you deprive the right of the

people, their democratic right, the economic right, the employment right and fundamental rights? We cannot deprive them of these rights. We should declare Statehood to Andaman and Nicobar Islands. I said earlier that Netaji Subhash Chandra Bose first set up the provincial government there. That is why, I pay a tribute to Netaji Subhash Chandra Bose and I urge upon the Government to declare its Statehood this year. It is not for the first time that we are discussing this Bill. The assurance was given in 1991. Even when Delhi asked for Statehood, at that time also the assurance was given. The Estimates Committee discussed it many times. Even Pondicherry, Goa, Daman and Diu and other small States like the 'seven sister' States in the North-Eastern region were given the promise. The ex-Chief Minister of Pondicherry is saying that full power has not been given though they have got Statehood. This is the discriminate on.

SHRI M.O.H. FAROOK : We have got the legislature, but we do not have the full powers. We have not got the Statehood, but we have got the legislature

KUMARI MAMATA BANERJEE : What is this?

MR. CHAIRMAN : In Union Territory, they have got the powers.

SHRI M.O.H. FAROOK : In Union Territory, there are lot of differences. There is a Union Territory with legislature and there is a Union Territory without legislature. There is a Union Territory where only the Administrator is there. Full powers have not been given to the Union Territory also. This is the discrimination which these people are making. While giving legislature, all powers should be given to the Andaman and Nicobar Islands. This is our plea.

MR. CHAIRMAN : What is the status of Pondicherry?

SHRI M.O.H. FAROOK : The status of Pondicherry is, some of the power are with the Lieutenant Governor and the legislature is not having so much of powers. For example, in the offices, we do not have the powers actually. On service matters, the Lieutenant Governor is the authority. Is it a democracy? We have been crying for that. My friend Kumari Mamata Banerjee's plea is that they should have a legislature. My plea is more than that. They should have full legislature with all powers of a State.

KUMARI MAMATA BANERJEE : I fully agree with what the ex-Chief Minister of Pondicherry has said. There should not be any discrimination between one State and the other in terms of not only the legislature but also, at the same time, powers. Again, I am pleading not only for Pondicherry or Andaman and Nicobar but also for the other States if there are some discriminations and discrepancies.

It is a fact that some people are raising their voice about population. But we should not forget the fact that there are some countries like Mauritius and Maldives which are our friendly countries. How much population are they having? Do you compare the people's power with population? Or, do you compare people's power with people's authority and their rights? So, population is not at all a criterion. I think so. You know about the area covered by the Island especially, the sea-zone areas. It is very expensive. Even they cannot bring sand.

MR. CHAIRMAN : Mamataji, can I interrupt you for one minute?

Hon. Members, there is no hon. Member from the Panel of Chairmen present in the House. I have to go to attend to some urgent work. So, if I have the permission of the House, I can ask Shri A.C. Jos to preside over for the rest of the time. If I have the permission of the House, I will do that. If not, I will have to continue. Is it all right?

SEVERAL HON. MEMBERS : Yes.

MR. CHAIRMAN : I am most grateful to you. Thank you very much. Kumari Mamata Banerjee, please carry on.

1648 hrs.

[SHRI A.C. JOS *in the Chair*]

KUMARI MAMATA BANERJEE : Our provisional Chairman, like this provisional Government, should see that the Bill is passed today itself - as Netaji Subhash Chandra Bose had declared at that time

The geographical area is a very big area. As I said earlier, it is a very expensive area. They have to bring even sand from Calcutta or from other places. It is very expensive. There is no road communication facility. There is no railway communication because it is a sea-zone. There are no industries and so there are no employment opportunities. The rural or the plain areas are very few. Even to get food, people have to depend on the ships because ships come from outside. They carry all the goods and other things. That is why, I think it is better that people take responsibility. People's representatives should look after the grievances of the people in a proper way. In a democratic country, we should not give an impression to the people of Andaman & Nicobar Islands that they are just like second class citizens. They have the right to elect the President. They have the right to elect the Rajya Sabha Member also. Why do they not do this? This is my humble suggestion to the hon. Minister. I would request : the hon. Minister to look into this problem sympathetically so that people do not suffer in future.

Sir, there is a proverb that it is better to be a lion for a day than a sheep all of one's life. Today, whatever we are saying, we are saying from the heart. One food can be digestible to one person but it may not be digestible to others.

But as far as passing of this particular Bill is concerned, each and everybody thinks that it is digestible to each and everybody.

So, this is my humble submission to the hon. Minister that please accept this Bill and pass it because there would not be any discrimination or any difference of attitude among anybody because this is a very important Bill.

Sir, why I am saying this is that there is a proverb 'after death, comes the doctor'. There are some such areas in our country where the people are deprived of their rights because the harassments are going on there. That is why sometimes, in Uttarakhanda, sometimes in Jharkhand, sometimes in Jammu and Kashmir, sometimes in Punjab, sometimes in Darjeeling - my State, we see people are demanding that

[Kumari Mamata Banerjee]

they want statehood. But I think Andaman and Nicobar Islands is a separate part and that is why we fully support it.

But at the same time I would also request the hon. Home Minister to see what is going on in Tripura today - mass killings. What is going on in the North-eastern region, the Seven-Sister States? It is very difficult situation there because of the insurgency. Any time, any disaster may occur there. Shri Chitta Basu also said about it and Shri Manoranjan Bhakta also said about it. There is some Indonesian border, there is some Burmese border with Andaman and Nicobar Islands, I appreciate that. With Arunachal Pradesh, there is a China border. With Mizoram and Nagaland also, there are some foreign borders. So, we have to look after our security problems, our social security and other securities also.

So, I think, it is better to hand over this statehood to the people of that State and give all sorts of powers to the State Legislature of Andaman and Nicobar Islands so that they do not feel that their hopes and aspirations are being neglected.

With these words, I request you Mr. Chairman that as your title is 'Jos', I think there must be some josh from you, the Chair also.

MR. CHAIRMAN: Yes, sure

KUMARI MAMATA BANERJEE: Everybody is waiting today to see that there may be some new era to pass this Bill. The people should know it. At least, if any good suggestion comes, then there is no partisan attitude dividing us. We are united on this issue.

So, I once again request you to pass this Bill for the betterment of the country and for the betterment of the people because the Government is of the people, by the people and for the people. We should not forget this.

SHRI AJAY CHAKRABORTY (Basirhat): Mr. Chairman, Sir I wholeheartedly support this Bill which has been brought forward by our senior colleague Shri Basudeb Acharia. Not only that, I am very much grateful to him because of the fact that after rendering so much efforts and labour, he has brought this comprehensive Bill to fulfil the long pending aspirations and desire of the downtrodden people of Andaman and Nicobar Islands.

I think, this is the historical and a red letter day for the people of Andaman and Nicobar Islands. All of us know the socio-economic and political conditions of Andaman and Nicobar Islands.

Our hon. colleague Shri Manoranjan Bhakta elaborately described the socio-economic and political conditions of the Andaman and Nicobar Islands because of the fact that he is very much acquainted with their problems. One of our senior colleague and leader Shri Chitta Basu has also pointed out so many aspects of this Bill.

Sir, we are proud of it. We are the citizens of the biggest democratic country of the world. But then, I regret to say that the people of Andaman and Nicobar Islands are deprived of their rights. They are not enjoying the real democratic rights.

They have no right to choose their own representatives.

They have no right to elect their own Assembly and they have no right till now to form their own Government in order to make their own fate. There are some Panchayats and Municipalities which are nothing but defunct Panchayats and Municipalities. We should give them these rights. We should support this Bill unanimously, so that they are able to form their own Government, to elect their own representatives, to form their own State Assembly and to solve their all round problems which have been pending for hundreds of years.

The people of Andaman and Nicobar Islands have played a historic role in the struggle for Independence. Already some of our hon. colleagues referred to the role of Netaji Subhash Chandra Bose. We are in the birth centenary year of Netaji and fifty years of our Independence. At this moment we should pass this Bill, so that these people can make their own fate by electing their own Legislature.

Andaman and Nicobar Islands are economically so backward that there has been no progress made there. Positive and effective steps have not been taken for the purpose of economic growth, progress and prosperity of the Islands. Though these Islands are full of resources, full of possibilities for the uplift of the downtrodden people, yet I regret to say that no positive and effective measures have been taken to uplift the life of the downtrodden people, for the development or for the economic growth of the Andaman and Nicobar Islands. There are so many aboriginal people in these Islands, but they are being neglected. They are living under deep darkness even in the present day civilization. The people of Andaman and Nicobar are detached from the mainstream of our country. They are not connected with the present-day civilization. They are living below the poverty line and in deep darkness. So, it is our first and foremost duty to pass the Bill, so that they may form their own Government and come forward and uplift their own lives. They have been kept for several year under darkness.

There are some individuals and institutions which are trying to bring the aboriginal people into the mainstream of our country. But there are no effective measures taken from the Government's end to bring those people into the mainstream of the country. It is not possible for the Government sitting at Delhi to look after the welfare of the neglected people of Andaman and Nicobar Islands.

In view of this position, I think we should wholeheartedly support this Bill. There are political differences among us. But irrespective of the political differences and cutting across the party-line we should support this Bill in one voice, so that the Bill can be passed unanimously and we can give some democratic rights to the people of Andaman and Nicobar Islands who have been deprived of their democratic rights since Independence.

I again wholeheartedly support this Bill and appeal to all the hon. Members to pass this Bill unanimously.

[Translation]

SHRI SHATRUGHAN PRASAD SINGH (Balua) (Bihar): Sir, I wholeheartedly support the Bill moved by my senior colleague Shri Basudeb Acharia which exponent the

aspiration of the people of Andaman and Nicobar Islands for constitution of their own elected Legislative Assembly.

17.00 hrs.

A few days back, I got an opportunity to visit this land of martyrs. It is the land of martyrs where freedom fighters were tortured by the imperialist Government. There I paid my floral tribute at the memorial of martyrs. Courteousness, gentleness and hospitality of people of Andaman and Nicobar Island is praiseworthy. Seemingly happy Chirping of birds songs may also have sad undertones. The people of Andaman and Nicobar Island are peaceful, gentle and courteous but they should not be taken for granted and their expectation should not be crushed even after 50 years of Independence.

I come from Begusarai district of Bihar and I feel proud that some freedom fighters of my district were also sentenced to 'Kala Pani', where they were subjected to tortures. We would feel honoured if it is done before 15th August which is the 50th anniversary of Independence. I request the hon. Minister that Andaman and Nicobar Islands should be accorded status of a state and announcement should be made for holding elections for Legislative Assembly of the state. It would be more appropriate if the hon. Prime Minister visits the islands to inaugurate it on the coming 15th August.

We keep on cursing our backwardness and formulate developmental plans but the officers working in this area crave for returning to their homes. They cannot return to their homes even at the time of death of their fathers or to attend to their sick old mothers because this area lacks means of transport and travelling via sea ways takes time. Earlier daily air service was provided for this area which has been withdrawn. What are the reasons for it? Why the citizens of Andaman and Nicobar Islands and officers and employees working there have been deprived of this air facility.

I have had an opportunity to visit that area in the company of the hon'ble Member representing that area. I am seized of the problems which have been mentioned by my colleague just now. It is difficult to travel from Port Blair to Maya Bandar. We felt so many transportation problems in that area in just two-three days and you can imagine the problems of citizens who have to travel via sea for their day-to-day works. Their wards and family members wait for their return but they keep on waiting for long time to reach their homes in the absence of adequate means of transport. Budget is going to be presented before the announcement for providing this islands a status of full-fledged state. Therefore, I hope that hon. Minister would make announcement for providing sanction to all the proposals regarding construction of roads and bridges in inaccessible areas of Andaman and Nicobar Islands.

The authority of delegating powers is vested in the Central Government. Centralizations of power gives rise to corruption. I myself have seen that people of that area have to seek permission to extract sand and pebbles from sea shore for construction of their houses. Under the bureaucratic set up of this democratic country, such a dictatorial attitude is being adopted that people of the area are not allowed to extract sand and stones from the sea coast.

This ban should be lifted. I had also gone to the spot, where the incident of fire took place. Houses of those people have been gutted in fire. They have nothing to eat and wear. So far, no arrangements have been made for them. It is a tragic incident. Arrangements should be made to provide sufficient relief to them from the Prime Minister's Relief Fund. They have not been provided alternative shelters so far. We should work for development of the area in response to their courteousness, gentleness, hospitality and sense of patriotism. Today we are celebrating the birth centenary of our revolutionary leader Shri Subhash Chandra Bose and 50th anniversary of Rajaji and on this occasion this area should be given a status of a full-fledged state. If Legislative Assembly is not constituted for this area, we will be responsible for isolating that area from the mainstream of the Nation. We should not compell them to give up the path of patriotism and launch agitation for it.

I would like to say that it is an appropriate time to accord a status of state of this islands and by doing so we can pay our homage to those martyrs whose selfless sacrifice has been narrated in following words:

"Vanita Ki mamata na hui,

Sut ka na mujhe kabhi chhoh hua,

Khyati, syuash, samman vibhav ka,

tyonhi kabhi na moh hua,

jis chhor chala jab mein.

lagti phir kisko deri."

We should pay obeisance to this land of martyrs and this should be accorded status of a state. 15th August is approaching and announcement regarding holding elections there should be made. I request all the Members not to make our colleague to withdraw this Bill. The Government which used to express its helplessness has gone. Now we are having a serious and responsible Government. I hope that our colleague would not be compelled to withdraw this Bill.

[English]

MR. CHAIRMAN: Thank you. We have time constraint also, as you all know. Shri Hannan Mollah

SHRI HANNAN MOLLAH (Uluberia): Mr. Chairman, Sir, I support the Bill brought forward by Shri Acharia which is already supported by all the speakers who spoke earlier.

As everybody mentioned - I also join them in that - in this 50th year of our Independence and in the Centenary year of Netaji Subhash Chandra Bose, this House unanimously recognises the existence of a far-flung area of our country as a full-fledged State of Indian Union.

Already arguments in favour of statehood of that Union Territory has been described by my colleagues who spoke earlier and I am not going to repeat them. I support all those arguments. They are all very sound arguments and the Government should accept those arguments. As proposed, on the 15th of August this year, the new State should be set up and that should be decided today itself in this House.

[Shri Hannan Mollah]

I would like to draw the attention of the House regarding certain problems of Andaman and Nicobar Islands. For the past several years, I have been demanding that the problems of the Union Territory should be discussed separately because it is treated just like an orphan. The problems of all other States are being discussed in State Assemblies, but since the union Territories are 'orphans', there is no place to discuss about their problems. There are a lot of problems in every Union Territory. They are all ruled from Delhi, but Delhi is not 'present' there. Nobody knows who is ruling. All sorts of problems are there. It is a 'heartless' rule which prevails in the Union Territory. For everything, they have to come to Delhi, but nothing will reach them.

Specially in a place like Andaman and Nicobar Islands which is a far-flung area and which is isolated because of its geographical location, the people are living under very hard conditions there. They do not have any regular communication and transportation. Everytime there is a shortage of foodgrains, Medicines and other essential commodities. You would be surprised to know that everyday the people there are running from pillar to post for one requirement or the other.

I would like to add to what Shri Bhakta said about posting of personnel in the Andaman and Nicobar Islands. The persons appointed in the Union Territory cadre are appointed from Delhi. It is because Delhi has better facilities and better education. In the Union Territory cadre, 80 to 90 per cent of the personnel are drawn from Delhi. After their appointment they are posted there and from the very next day of their joining there, they start pursuing with the concerned Ministry for their transfer to the mainland. Though physically they remain there for some days, their heart and mind are not present there.

Secondly, you know corruption is the name of administration in Andaman and Nicobar Islands. It is because whatever is allocated for them, even a part of it does not reach them. It gets spent here itself. It is spent maybe in NOIDA or in some other place. Those who are appointed to work there are looting those people. There is a heartless looting of these people by the bureaucracy. Every three months I go there, I have a regular contact there and I have seen their conditions. You cannot imagine as to what happens there. We want that Andaman should have the status of a full-fledged State and Nicobar should be accorded the status of an autonomous region under the Sixth Schedule.

Nicobar has no court at all. It takes about 15 days to come to Port Blair from Nicobar. If somebody commits a crime and a person wants to lodge a complaint, he has to travel for 15 days to do that. How could a poor man afford to do it? Where would he stay in Port Blair? Who would look after his interest? This is the system in which the people of a civilized country are living. If these people revolt, then you would blame them saying that they are revolting. We are living with all facilities and thus we fledged to forget about those people who are living in the far-flung areas without any facilities of modern civilized life.

Moreover, there is no industry. Of course there is a five lakh tonnes of fishing potential in the Island territory but what

is the extent of its exploitation? It is just 4,300 tonnes. As a result of this, there is unemployment as well.

Sir, Andaman and Nicobar Islands is mini India. Of the total population, 17 per cent of the people are descendants of the old Andamani people, about 20 per cent are Tamil speaking people, 20 per cent are Bengali speaking people, 10 per cent are Malayalee speaking people; 8 per cent are Telugu speaking people and 3 to 4 per cent are Sikhs. So, it is like a mini-India. Hindi is the language spoken there. Everybody knows Hindi and that is the working language there. It is a very beautiful and a harmonious place but they do not have the right to have a Government of their choice. This cannot run for long. So, we demand that this Bill should be passed in this Session of Parliament.

SHRI BASU DEB ACHARIA (Bankura) : It should be passed today.

SHRI HANNAN MOLLAH : It may not be possible today and of course, even today also it could be passed. If some formulation is necessary, the Government may do it. But Andaman should be granted Statehood in this 50th year of our Independence.

I was mentioning some of the problems. Whenever we want to draw the attention of the Government.

MR. CHAIRMAN : Mr. Mollah, if you want to have some formulation, you have to have.

SHRI HANNAN MOLLAH : I was just mentioning the problems being faced by these Union Territories. Industry is one such problem. They should have a forest-base or sea-base industry. There is a lot of potential but no proper planning is there. There is no proper investment which is necessary for setting up of any industry.

Secondly, there is a problem of regularisation. A large number of people have come and settled there. They have occupied certain land but their occupation has not been regularised. I think the pre 1978 occupants of this land have not been regularised. There is no Government. So, who will regularise them? The Panchayat there is powerless. The Lieutenant Governor is ruling like a scion. He can do whatever he likes. The rule of the day is corruption. You will be surprised to know that the Kala Pani rule is still going on. Some ladies contested in the election to the last Panchayat. As a result of this their husbands were sent to far flung islands. I wrote to the Prime Minister about this and asked him to send a note. But like the British days, they were sent to far flung islands. Out of 500 islands there are about 20 to 30 islands which are being inhabited.

MR. CHAIRMAN : Have you seen 'Kala Pani'?

SHRI HANNAN MOLLAH : Every third month I go there. though, I have not suffered Kala Pani.

MR. CHAIRMAN : I am talking about the film 'Kala Pani' which was made in Malayalam.

SHRI HANNAN MOLLAH : No, I have not seen that.

MR. CHAIRMAN : Its Hindi version is also there. You must see that.

SHRI HANNAN MOLLAH : I will abide by the Chairman's ruling.

A large number of landless people are there.

SHRI MANORANJAN BHAKTA : Sir, MPs should be shown that film.

MR. CHAIRMAN : That is a very good suggestion.

SHRI HANNAN MOLLAH : If the Ministry of Information and Broadcasting can arrange a show in Mavlankar Hall, everyone can see it.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : There used to be a practice to arrange film shows for the MPs.

MR. CHAIRMAN : That is a very good suggestion because that film shows what Andaman Sea is.

SHRI HANNAN MOLLAH : That is a very good suggestion. I think the Ministry of Information and Broadcasting will agree to it.

MR. CHAIRMAN : Let the hon. Home Minister convey the feelings of the House to the Minister of Information and Broadcasting.

SHRI HANNAN MOLLAH : Landlessness is another big problem. But who will look after it, we do not know. I am just drawing the attention of the Government towards it.

There is acute drinking water problem in the Island. Construction of second dam for the drinking water supply is pending for long. The famous saying 'water water everywhere but not a drop to drink' is applicable in Andaman. Nobody is there to take care of it.

Earlier there used to be inter-island helicopter service but that is now dispensed with. If a heart patient goes by sea, it takes four to five days. How can he survive? I would suggest that this inter-island helicopter service should be started immediately. At least once a day one such a service should be there from island to island so that people can take benefit of that.

The people are following the contract system there and the contractors are the looters. You cannot imagine massive deforestation is going on and the contractors are looting the Island. Every day tonnes of timber is coming from the Andaman Island.

SHRI MANORANJAN BHAKTA : Timber work is not done by Contractors. That is done according to the work plan by the Forest Department. Contractors are doing other construction work which we oppose. We say that that too should be a departmental work.

SHRI HANNAN MOLLAH : But along with it poaching is also there. Deforestation is also taking place.

SHRI MANORANJAN BHAKTA : That is there. The forest poachers are foreigners.

SHRI HANNAN MOLLAH : A recently created problem is the illegal liquor barons. The behaviour of police is unimaginable there. We get complaints everyday that such and such things are happening there.

Another problem is the cost of items supplied through ration depots. The cost is higher there than on the mainland. If the cost of transport is also added to the cost of items, how can the poor people afford to buy them?

Creation of separate districts for Middle and North Andaman is a long-pending demand of the people of the Islands. I draw the attention of the Government to it. Campbell Bay is a far flung area near Great Nicobar which has no direct sailing facility. Direct sailing to Campbell Bay is necessary and I draw the attention of the Government to this issue.

The demand for a berthing gate at Mayabunder is also a pending one.

SHRI MANORANJAN BHAKTA : Berthing gate is there but ships are not coming along side.

SHRI HANNAN MOLLAH : That problem should be taken care of. Rural drinking water facility is not available in major parts of the Islands which should be taken care of. An atomic power station is necessary for ensuring regular power supply on the Islands. Checking of corruption is a must. The simple and honest people of Andaman and Nicobar Islands are suffering in the hands of the most corrupt administration. All these problems can be taken care of, if the people of Andaman and Nicobar Islands are given the right to elect their own rulers. If they are ruled by their own representatives, they can have a Government which is sensitive to their problems.

I demand that this Bill be passed today, and a new State be allowed to join the family of the Indian Union. It should be inaugurated in the coming August. This is our demand, and I hope that as Chairman you also would support the desire of the entire House today.

SHRI SRIBALLAV PANIGRAHI : Mr. Chairman, Sir, I rise to support all aspects of this Bill asking for a separate legislature exclusively for Andaman and Nicobar Islands. The various aspects of the Bill have been dealt at length by the learned previous speakers. Our very capable permanent representative of those Islands in this House, my good friend Shri Manoranjan Bhakta has aptly dealt with all aspects of the Bill and ably placed the demand in the House.

SHRI HANNAN MOLLAH : He is an Ambassador of Andaman & Nicobar Islands in Delhi.

SHRI SRIBALLAV PANIGRAHI : Earlier, Shri Acharia, while speaking on his Bill, fully justified this demand.

There have been references to the provisions of the Constitution dealing with the Union Territory statehood etc. When we achieved Independence, we had nine regular States.

At that time, the States were coming under four categories. These were Part 'A', Part 'B' and Part 'C' States. They were also called 'A' class, 'B' class and 'C' class States.

In Part 'A', the States were nine in number. In Part 'B', we had Hyderabad, Jammu and Kashmir, Madhya Bharat, Mysore, Patiala and East Punjab. In Part 'C', we had five States, namely, Ajmer, Bhopal, Bilaspur, Kooch Bihar and Coorg. In Part 'D', only one Territory, namely, Andaman and

[Shri Sriballav Panigrahi]

Nicobar Islands found its place. There was a provision kept for future and if need be and if we acquire a new territory in course of time, then that would join Andaman and Nicobar Islands in Part 'D' category.

There was a dramatic change in this arrangement in course of time. As you know, there were demands from different areas for separate States. There was also a Boundary Commission, the State Reorganisation Commission. I think the Commission was constituted under the Chairmanship of Fazal Ali. Sardar K. M. Panicker and Dr. Hridaynath Kunjru were the other Members of the Committee. They were brilliant and seasoned people with experience in different areas. Their recommendations were accepted and States were reorganised. And the old arrangement disappeared and under the new arrangement, States and Union Territories existed.

As you know, Assam - earlier, it is called United Assam - was split up. Now besides Assam - there are six other States. We call them Seven Sisters. Tripura was already a separate State. Under the category of Union Territories, we have Delhi, Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Goa, Daman and Diu, Pondicherry and Chandigarh. This is a continuous process. This is a changing situation. We do not just stick to one point. As we see today, Delhi has got statehood, Assembly. So also Goa. As regards Pondicherry, it is under half-way. Here, we have Shri M.O.H. Farook, the former Chief Minister of Pondicherry. He is our good friend. In Pondicherry, we have a Government, Assembly and the Ministry.

MR. CHAIRMAN : Shri M.O.H. Farook himself was the Chief Minister of Pondicherry.

SHRI SRIBALLAV PANIGRAHI : He will narrate his plight sometime after me. I am not going into that.

Sir, there have been many changes. When this demand for as Assembly first came from different States, there were objections from the Government. They put all sorts of objections by saying the population was less, the area was less, it was not economically viable and so on. These were stereotyped excuses. In spite of that, Arunachal Pradesh which is having a population of one million, was granted Statehood. What I am saying is that the population should not be the only guiding factor. Considering from this angle, I would like to say that Andaman and Nicobar Islands have certain uniqueness. It is situated in the middle of Bay of Bengal.

"These Islands strung in the middle of the Bay of Bengal were described by a Roman geographer in the second century as the Islands of Good Fortune. Festooned with exotic fauna and flora - brilliant tropical flowers, orchids, hundreds of species of birds, mammals, reptiles and the like - the place also came to be known as living museum on earth. It has been a virtual paradise for scientists, ecologists, ornithologists, marine experts and nature lovers. Some of the inhabitants are the oldest tribal communities in the world, their antiquities said to be going back to palaeolithic times."

The population of these Islands in 1971 was 1.15 lakh but now it is about 3.5 lakh. The population should not just be a guiding factor so far as Andaman and Nicobar Islands are concerned. The Andaman and Nicobar Islands also occupies a unique place from the point of view of defence. We should not take the people for granted. They are very simple people. Their demands are very limited. Still, if we do not concede their demands well in time, it is not a healthy trend. We should not wait for any rebellion. From the historical point of view also, Andaman and Nicobar Islands is a place of pilgrimage for every Indian. During the freedom struggle also people were deported.

Freedom fighters who were ruthlessly fighting against the British Raj were deported to this place and were made to suffer. Today that Cellular Jail is a place of pilgrimage. That is why, the Government of India rightly decided, some years ago, that the freedom fighters would be given special privilege to visit that place. Now because of lack of facilities, as ships etc. were not available there in required number, all those things have stopped half way. There is discontentment among the freedom fighters for this. So, I was saying that this way, it is a place of pilgrimage.

As I said, even today, why to speak of a State, there are countries whose population is less than this and there are States in various places with less population than this.

As far as economic viability is concerned. This place has a lot of potentiality for economic progress. There are a lot of resources available.

I do not agree with the view, as some people say, that it should not be opened for tourism. Now we have opened our economy and China has also opened its economy. Take the examples of Hong Kong and Singapore. What is the population there? Over a period of 30 to 40 years Singapore has made tremendous progress. In terms of progress and prosperity they are quite advanced countries.

That way tourism can be developed very well. Andaman & Nicobar Islands are a paradise on earth and people would like to visit that place if proper facilities are given. There can be a blending of the two. While safeguarding the security angle tourism can be developed. That way it can be economically viable also.

The matter was considered by the Estimates Committee, and the Committee had clearly recommended to provide Legislative Assembly and to make arrangements for an elected Government. Naturally in our system, the procedure is that when a Parliamentary Committee makes certain recommendations the Action Taken Report comes from the Government. I would like to know what is the reaction of the Government in this regard. It is quite ridiculous that nothing concrete has come from the Government side so far in this regard.

The Committee had recommended:

"In the opinion of the Committee there can be no justification for denying representative administration to the people of the Union Territories."

The Committee have come to a firm conclusion that the existing mechanisms are far too inadequate and do not fulfil the minimum aspirations of the people in the Union Territories. The Committee, therefore, desire that the Government should initiate necessary steps for empowerment of citizens living in Union Territories. In more specific terms they desire full-fledged assemblies to be given to the Island Territories on the pattern of Pondicherry. The Committee also wish to caution the Government against any procrastination in the matter as that would usher in an avoidable sense of alienation amongst the people which can only endanger national security.

The Committee, while welcoming the intention of the Government to strengthen and empower local bodies in Union Territories in whatever forms these are established, they advised against mixing it up the demand for fully representative administration. The Committee, therefore, desire that the question of providing a fully representative constitutional set up in the Union Territories particularly in the Island territories should be pursued independently."

The reply of the Government is that Panchayat elections have taken place and they are vested with all sorts of powers for development etc.

This is the wording. I have no time to quote exactly. But what a paradox it is, what a contradiction it is, and how ridiculous it is when we heard Shri Bhaktaji saying that in spite of the recommendation of a very prestigious Committee of Parliament, that is Estimates Committee, the Government, the bureaucracy had come out with their plea saying, "We take note of it. These are the reasons for which we are not in a position to agree to it but at the same time we want to give powers to Panchayat. They can do everything themselves for development." But, even today, in spite of all this, we heard that they cannot ...*(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : The Government is wanting to give powers ...*(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : I think, you have heard Shri Bhakta ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : This is the notification ...*(Interruptions)*

MR. CHAIRMAN : Mr. Minister, you can tell all this in your reply.

SHRI SRIBALLAV PANIGRAHI : Should we disbelieve our own esteemed friend, Shri Bhakta, who has repeatedly said that a peon cannot be appointed by Panchayat? He said that here. ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : This is the notification ...*(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : This is our fate ...*(Interruptions)*

MR. CHAIRMAN : Please do not get into an argument

SHRI SRIBALLAV PANIGRAHI : Mr. Minister, you are a new incumbent in the Central Government. This is the defect with which we are suffering from ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : This is intolerable. I cannot ...*(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : You cannot tolerate. Every Minister's first task is to tolerate ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : Mr. Chairman, I want your interference ...*(Interruptions)*

MR. CHAIRMAN : Please do not get into an argument with him.

SHRI SRIBALLAV PANIGRAHI : Mr. Chairman, Sir, if he cannot tolerate, then I cannot help.

MR. CHAIRMAN : You have taken about twenty minutes

SHRI MOHD. MAQBOOL DAR : I cannot tolerate such ridiculous words ...*(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : What ridiculous ...*(Interruptions)* I will say that hon. Minister is making his position ridiculous. What can I do? I said that in spite of all these things ...*(Interruptions)*

SHRI MANORANJAN BHAKTA : There is no question of time. This is a very important issue. ...*(Interruptions)*

MR. CHAIRMAN : I agree with you but two more hon. Members have to speak on this

SHRI BASU DEB ACHARIA : Sir, this debate cannot be concluded today and it has to be carried over next week in any case ...*(Interruptions)*

MR. CHAIRMAN : At least two more hon. Members can speak on this today and the reply can be deferred

(Interruptions)

SHRI MANORANJAN BHAKTA : The Minister has said that all powers have been given to Panchayat. What powers have been given? ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : I think, it is not proper for me to tell them now. Let me tell them at the time of my reply ...*(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : That will be a wise thing for you. But you see, a seasoned representative, a seasoned Member, who is representing that area for the last 25 years and who has the concern for the people of the area has said that no powers have been given. I have mentioned about the recommendation of the Committee and the reaction of the Government. Why are you taking it personally like this? This is bad. ...*(Interruptions)*

SHRI MOHD. MAQBOOL DAR : Not personally I respect your feelings

SHRI SRIBALLAV PANIGRAHI : This is the one thing our system suffers from. We mean something and we mean good. Because of the bungling of the bureaucracy, sometimes it does not materialise.

[Shri Sriballav Panigrahi]

In this Bill there is a demand for an exclusive, a separate legislature for Andaman and Nicobar Islands and that is fully justified. Therefore, without loss of time, the Government should accept this and act upon the earlier recommendations made by the Estimates Committee. Together with that, Sir, the other places such as Pondicherry, wherever we have got, the Assembly and elective Government. But they don't have adequate power that also should be looked into sympathetically. The main task of India is strengthening national integrity. And national integrity can be achieved fully because of all these things – the local aspirations, reasonable and legitimate aspirations of the people of the border areas in different portions. If that is met, that also strengthens.

As it is, this is the place which is a symbol of national integrity. Andaman and Nicobar Islands symbolizes the national integration. It is a symbol of national integrity. There, as I said, without waiting for unpleasant situation to develop or terrorism to raise its ugly head, we should well in time respond reasonably and favourably to the legitimate demands of the people of that place.

SHRI PRAMOTHES MUKHERJEE (Berhampore) (WB) : Thank you, Mr. Chairman for the opportunity given to me to express our views on this important issue.

MR. CHAIRMAN : You too have to be aware of the time constraint that we have.

SHRI PRAMOTHES MUKHERJEE : I am always aware of the time constraint. I will finish my speech within one minute.

MR. CHAIRMAN : Shri M.O.H. Farook has to speak.

SHRI PRAMOTHES MUKHERJEE : On behalf of my Party, RSP, I rise to extend my support to this Bill moved by our hon. friend, Shri Basu Deb Acharia on the Government of Union Territory of Andaman and Nicobar Islands.

Sir, I have read the features of this Bill and I have also heard many valuable speeches in this debate and I too appreciate the features on this sensitive issue. It is unfortunate that during the last 50 years of our Independence, proper attention has not been paid to the growing demands and aspirations of the people of Andaman and Nicobar Islands. Today, the population has been increasing and their problems have been cropped up, intermingled with other things and complexities. So they cannot express themselves. They do not have their proper forum to express themselves or to have a rule of their own through the people's mandate. Today, their demand for a forum to express themselves and to have a rule of their own is a highly justified demand. So I do support this Bill.

Sir, today to rule the people, to govern the people of any area by some bureaucrats is not a good sign of democracy. We believe in the principles of right to self-determination and we are also aware of the fact that right to self-determination is the fundamental essence of democratic structure and this is also the most important feature of Indian federalism as expressed in our Indian Constitution. So, I think, that the right to self-determination may not be granted immediately to the people of Andaman and Nicobar Islands

but their demand for the Legislative Assembly with constitutional powers can be granted immediately to them.

Again, Sir, I have already said that today, for their very geographical setting and for their natural setting, Andaman and Nicobar Islands have their own beauty and have their own natural resources of wealth. They have their own culture. They have their own glory. But their beauty, their natural resources of wealth and their inherent resources are being exploited by the business magnates, by the multinational corporations. The fate of the poor people of Andaman and Nicobar Islands cannot be left to the whims of the Contractor Raj or cannot be left to the whims of the international business magnates. So, I propose that a democratic set up, that is a Legislative Assembly with constitutional powers should be immediately granted to the people of Andaman and Nicobar Islands. It is high time to do so and to accept this demand.

One more thing I would like to say and that is that we are aware of the demands for a separate State within a State. We are aware of the evils of all these things. We are also aware of the fact that there is the tendency of Balkanisation. In history, we have read that the Balkanic States are not fruitful and are not constitutionally stable.

So, we are also aware of the fact that there is a demand for the balkanisation among the Indian people also. But the demand of the people for a separate State within a bigger State is one thing but the demand of the people of the Andaman and Nicobar Islands for their Statehood is another thing. So, a proper and scientific attention should be given to the demand for the Statehood of Andaman and Nicobar Islands.

I will conclude with this point that it is high time that we paid attention to the demands and aspirations of the people of Andaman and Nicobar Islands, granting them the Legislative Assembly with constitutional powers. With these words I conclude.

MR. CHAIRMAN : Thank you very much. It was really brief. Shri M.O.H. Farook. Please remember that one more speaker is there.

SHRI M.O.H. FAROOK : Sir, I am not going to dwell on the subject and the right for asking for this Legislature. In fact, I support this idea and I would like to add something more new because I have been associated with the inception of this Union Territory right from the beginning. I can say that I have been associated. I am from Pondicherry, I have been associated with Goa, with Himachal Pradesh, – Delhi is a recent inception – Tripura as well as Arunachal Pradesh and other States. Right from those days we have been asking the Government of India that a full Statehood would have to be given. But ultimately what happened was that some of the States have been given. Arunachal Pradesh has been given, thanks to them. Goa has been given, Himachal Pradesh has been given, Tripura has been given, but not Pondicherry, not Andaman and Nicobar Islands. I may tell you that the position of Andamans is much worse.

My contention is if the Constitution has to be regarded in the correct perspective, then the right of having their own

Legislature with full powers - that is what I am wanting to emphasise here - have to be given. Now, even their Legislature has not been given. In my State Legislature has been given and we are supposed to enjoy it. There is a Ministry, there is a Chief Minister, there is an Administrator but some of the powers have been taken back. Why? Why is this discrimination shown? But as far as Andaman and Nicobar Islands are concerned, even the Legislature has not been given. I just say, that when you are thinking of giving a Legislature, I may say that while giving the legislature we may have a little to give it fully so that they enjoy the correctness of the things. Of course, you do not know the difficulties which we are facing. They are far-flung people. I know I have been the Chief Minister for three terms. I know that we had to come even for small transfers to this place, we had to run to Delhi. That is the state of affairs. Even for sanctions and for postings we had to run over here. But lot of things have changed, but not fully have they been changed. If such matters are there, how can you expect the development in a far-flung State? Sometimes even correspondence with the Government of India it takes about three to six months! What is to be done? These practical things have to be taken into consideration. I can tell you only certain matters.

Mr. Chairman, I am agreeable for giving Statehood to the Union Territory of Andaman and Nicobar Islands but at the same it should be given with full legislative powers to them to enjoy them. Otherwise, the Government should not make us hang us here in between the earth and the sea. That is what we have been emphasising.

I can give you a small example. As far as my State is concerned, we have been fighting for Statehood. The powers have been given to the Legislature. Whatever powers are there, the Ministry is doing it out. But how can the development work go on, how can the administration go on without a Ministry? Who will have the hold over the officers?

The state of affairs in Pondicherry is that we have the powers, but we do not have powers of having a hold over the administrators. I can say that the bureaucracy is not prepared to give it. The main democratic dictum is that the people have to be ruled by elected people. I would like to ask a question here. Should the selected people be given the powers to rule over there? The selected people are the administrators. They have been selected by the Home Ministry. They are the people who are being given the powers while the elected people have been denied the powers. The elected people are deemed to be the subordinates of the selected people. This is what is happening in the Union Territories. Such a thing should not happen when you give Legislature to the Andaman and Nicobar Islands.

Sir, are the people of the Union Territories not the citizens of India? Where is the power to exercise our franchise in the election of the President of India? The Minister should reply to this point, while replying to the debate. Have you given us the power to elect the President of India? Our Legislature in Pondicherry has no power to exercise the franchise in the Presidential election. Is it correct? Are we the second citizens of India? Please declare in this House whether we have got the powers to exercise our franchise in the Presidential

election. When we asked this, they said that the MPs of the Union Territories are having that power and they are exercising it. Yes, the MPS of the Union Territories are having that power. But what about the people in the Legislature? According to the proportion of strength, the power should be given to them. Even that has not been given and constitutionally it is wrong. I do not want to go into the details of this Bill because of constraint of time. All the other Members are supporting this Bill. I also support this Bill. But my only plea is, when you give Legislature, you should give full powers to that Legislature of the Andaman and Nicobar Islands, because I know the difficulties that are being faced by us in the Union Territories.

I want to say one more thing. In this House, Pandit Jawaharlal Nehru once said that a persistent view, insisted by a large number of people should be conceded. The people of Andaman and Nicobar Islands are crying for this legislature for a long time now and it has still not been heard by the Government of India. Is it correct? Are you looking after the Constitution in the correct perspective? Therefore, my plea is, do not delay things, as somebody has mentioned it here. Otherwise, it would, then, lead to some sort of insurgency, a lot of displeasure would grow and the feelings of the people may erupt at any time. So, the views of the people of that area have to be taken into consideration and their aspirations have to be fulfilled. I request the hon. Minister to take care of all these matters while granting legislature to the Andaman and Nicobar Islands.

With these words, I support this Bill.

SHRI SONTOSH MOHAN DEV (Silchar) : Mr. Chairman, Sir, I had the fortune or the misfortune to be in the same position as Mr. Dar is now, as the Minister of State for Home Affairs, in-charge of the Union Territories.

Sir, I had the opportunity to visit the Andaman and Nicobar Islands as the Minister of State for Defence and I had gone to almost all the Islands of the Andaman and Nicobar Islands. I had the opportunity of visiting Andamans along with the then Minister of Defence Shri R. Venkatraman and Shri Manoranjan Bhakta. So, we have seen the entire Andamans.

Sir, in a true sense of the term, Andamans is a colony under the Centre. The Lieutenant Governor is appointed by the Centre and he is all-in-all there. The hon. Minister has nothing to get annoyed over this point. The Councillors who are appointed are just Councillors and they have hardly any function to do. We used to get complaints that the LGs used to send Ex-Army Officers and they used to threaten the Executive Officer and others.

Even a friend from your area, i.e., Kerala, who was L.G. there, had some experience of it. So, let us not go into the past very much. Today, we have come to a situation where all the political parties irrespective of 'ism' are speaking of decentralisation of power. There is no difference with any political party regarding decentralisation of power. In this scenario of decentralisation of power we must also consider whether we can look into the Bill with a broader mind. It is nothing against the Ministry of Home Affairs. There is nothing against the Minister of State for Home Affairs. He is

[Shri Sontosh Mohan Dev]

1800 hrs.

also bound by the rules and regulations. I remember this gentleman who spoke just now used to come to me and cry on my shoulder that this L.G. does not listen to him. He was the Chief Minister but incognito he was nothing. The L.G. was more powerful. He used to call the officers and say, 'do this' and 'do not do this'.

The House now stands adjourned to meet again on Monday, the 24th February, 1997 at 11 00 A.M.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, February 24, 1997/Phalguna 5, 1918 (Saka)

MR. CHAIRMAN: Mr. Sontosh Mohan Dev, now the time is 6 o'clock. You will continue the discussion next time.