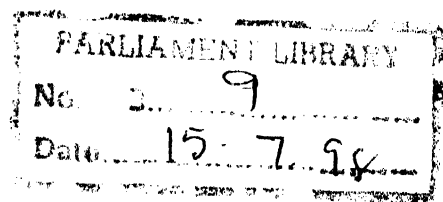


# **LOK SABHA DEBATES**

## **(English Version)**

**Fifth Session**  
**(Eleventh Lok Sabha)**



*(Vol. XV contains No. 1 to 10)*

**LOK SABHA SECRETARIAT**  
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**Corrigenda to Lok Sabha Debates  
(English Version)**

...

**Friday, July 25, 1997/Shravana 3, 1919 (Saka)**

...

<b>Col./line</b>	<b>For</b>	<b>Read</b>
73/1	THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP)	THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP)
81/27 107/26 201/30	THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ)	THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ)
130/18	THE MINISTER OF STATE OF THE MINISTRY OF (SHRIMATI KANTI SINGH)	THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH)
161 and 162/13	105	103
163 and 164/4	169.52	624.52
251/28	SHRI RAM NAIK (MUMBAI-NORTH)	SHRI RAM NAIK (MUMBAI-NORTH)
253/6 (from below)	SHRI RAJESH RANJAN ALIAS PAPPU YADAV (PURNIA)	SHRI RAJESH RANJAN ALIAS PAPPU YADAV (PURNEA)

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**[Original English Proceedings included in English Version and Original Hindi Proceedings included in Hindi Version will be treated as authoritative and not the translation thereof.]**



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# LOK SABHA DEBATES

## LOK SABHA

Friday, July 25, 1997/Shravana 3, 1919 (Saka)

*The Lok Sabha met at  
Eleven of the Clock*

[MR. DEPUTY SPEAKER in the Chair]

[English]

*(Interruptions)*

SHRI N.S.V. CHITTHAN (DINDIGUL): It is very unfortunate that the name of the former President of India, Shri Neelam Sanjiva Reddy was not included in the President's Address which has been made today morning. Those who are responsible for preparing the Address must be taken to task. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: You may ask anything after Question Hour.

*(Interruptions)*

DR. M. JAGANNATH (NAGARKURNOOL): The person who is responsible must be sacked. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: I know that. You may raise it after Question Hour.

*(Interruptions)*

SHRI P. UPENDRA (VIJAYAWADA): It has already been corrected.

### ORAL ANSWERS TO QUESTIONS

#### Voluntary Disclosure of Income Scheme

+

\*41. SHRI CHINTAMAN WANAGA:

SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) the number of persons who have volunteered to disclose their unaccounted wealth since the introduction of Voluntary Disclosure of Income Scheme (VDIS);

(b) the total amount collected so far by way of disclosure from the commencement of the scheme; and

(c) the extent to which this scheme is different from the earlier similar schemes aimed at unearthing black money?

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

## Statement

(a) and (b) VDIS Scheme came into operation from 1.7.1997 and will last till 31.12.1997. An important ingredient of the Scheme is the strict confidentiality which is to be maintained in respect of the declarants. The response to the Scheme will depend, to a large extent, upon the confidence of the would-be declarants on the Department's ability to maintain this confidentiality. Keeping this in view, the Scheme provides that declaration shall be filed only to the Commissioners of Income-tax. For the same reason details are not being obtained centrally from the Commissioners regarding the number of declarants or the amounts disclosed etc. It has been decided to take stock only towards the end of the period of operation of the Scheme.

(c) The major differences between the present scheme and the earlier schemes are as under:-

#### I. Rate of tax:

Under the present Scheme tax is charged at a flat rate while in most of the earlier schemes, tax was charged at the graduated rates prescribed in the Schedule.

#### II. Disclosure of Wealth:

Under the present Scheme, disclosure of wealth is not permissible. The Scheme is for disclosure of income.

#### III. Payment of tax:

Under the present Scheme, the tax payable in respect of voluntarily disclosed income is to be paid before filing the declaration. If tax is not paid before filing the declaration then the declarant has to pay the tax (along with interest) within three months from the date of filing of declaration. If the declarant fails to pay the tax before the expiry of these three months, the declaration will be deemed to be void. In most of the earlier Schemes the payment of tax could be made in instalments.

#### IV. Immunity from penalty and prosecution:

The present Scheme, inter alia, grants immunity to the declarant from penalty and prosecution under various Acts. The immunity in respect of FERA is broadly similar to the immunity granted under the Remittances in Foreign Exchange (Immunities) Scheme, 1991.

#### V. Disclosure of income in search and seizure cases:

The benefit of the present Scheme is not available in relation to income of the previous year in which search has been initiated or for any earlier previous year. The benefit of the Scheme is also not available in relation to income of the previous year in which survey has been carried out. Under

Voluntary Disclosure of Income and Wealth Scheme, 1976, some benefits, with conditions, were available even in cases of search.

[Translation]

MR. DEPUTY SPEAKER: All other hon'ble Members should take their seats.

(Interruptions)

SHRI CHINTAMAN WANAGA: There is a parallel economy of black money in our country. The Government have made efforts many times after independence to unearth black money. The Government had launched schemes eight times earlier to unearth black money, it was the ninth attempt. The Government could not get desired success in these schemes of the 1985. Therefore, through you, I want to ask the Minister as to where from the black money is generated? Much initiative has not been taken to check the procedure of generation of black money so far. Whether the Government would make effort to check the generation of black money and if so, what efforts would be made by the Government.

[English]

SHRI P. CHIDAMBARAM: Mr. Deputy Speaker, Sir, black money is generated through a variety of means. But the most common one is, in order to hide income from income-tax, people do not disclose their incomes and when incomes are not disclosed, the undisclosed income becomes what is popularly called black money. The reasons why black money is generated are well known. There have been studies from time to time. The most common reasons are the high rate of stamp duties on property transaction encourages people to hide the true value through consideration of transactions. High rates of taxes in the past, I believe, was one of the reasons for generation of black money. Besides, there are also lot of illegal activities in the country, smuggling, drug trafficking and prostitution. These are illegal activities which are financed by black money which generate, in turn, income which is not disclosed. Therefore, it is black money. It is true in the past several attempts were made.

But the attempts were not so successful, again, for a variety of reasons. This time, we are making another attempt, as I said, in response to the suggestion made by the National Development Council. Let us give this a fair chance. Now that the Income-tax rate margin has been brought down to 30 per cent and the Disclosure Scheme is also a simple Scheme with the same rate of tax, we may endeavour to try and reverse the trend. But it is not easy. It will not happen only because of the Scheme. It will happen because of the other provisions that we have tightened up, namely, under Section 139 of the Income-tax Act, the new Scheme for disclosure under Section 139 proviso and the tightening up of Chapter XIV B of the Income-tax Act. A number of presumptive tax measures have been introduced. We have taken a number of other steps on the excise side and the customs side. Altogether,

I believe, we have today a package of measures to deal with black money. I hope that it will succeed. Thank You.

[Translation]

SHRI CHINTAMAN WANAGA: Mr. Deputy Speaker, Sir, in the reply given to my question, the Minister has stated:

[English]

"declaration shall be filed only to the Commissioners of Income-Tax."

[Translation]

After filing Declarations-Commissioner of Income Tax has full power to accept or reject it and after certifying it, he issues certificate. But no time limit has been fixed for issuing certificate. Therefore, I want to know whether the Minister would consider fixing its time limit?

[English]

SHRI P. CHIDAMBARAM: The Commissioners of Income-tax have been instructed to issue the certificate within 15 days of payment of tax.

SHRI V.V. RAGHAVAN: Sir, the estimated concealed money at present is anywhere between Rs. 40,000 and Rs. 1,00,000 crore. There is a parallel economy operated by this unaccounted money. Most of the non-banking financial companies deal with this unclean money. The real estate people are dealing with this unclean money. Are our Enforcement Agencies aware of these illegal transactions? I would like to know from the hon. Finance Minister how much is his expectation from the VDIS? If that is not fulfilled, what action does he intend to take after December 1997 to get hold of the unaccounted and unclean money?

[English]

SHRI P. CHIDAMBARAM: I am grateful to the hon. Member for this question. I made it clear that the normal activities of the Income-tax Department will not be changed even during this period ending 31st December, 1997. The normal activities will go on. However, we have, after very extensive discussion and consultation, crafted a strategy to deal with those who have unaccounted money during this period of six months and thereafter. You will pardon me, Sir, if I do not reveal the whole strategy for this period of six months. But since the hon. Member was good enough to ask me what I will do after 31st December 1997, let me say that the law is clear. After Chapter XIV B was amended by this House at my request a few months ago, the provisions that follow as a result of search and seizure have become extremely stiff now. If anyone is found possessing unaccounted money and if it is discovered as a result of a search or a seizure or an investigation, that amount will now be liable to be taxed at 60 per cent together with interest. There will also be a penalty which can extend up to 300 per cent of the tax evaded. And the difference that I have brought about. In every single case, there will be a prosecution ... (Interruptions)

SHRI V.V. RAGHAVAN: What is the expectation from this VDIS?

SHRI P. CHIDAMBARAM: As I said, the sky is the limit. I have not taken any credit for any amount in the Budget. The sky is the limit.

[*Translation*]

SHRI SATYA PAL JAIN: Mr. Deputy Speaker, Sir, the Minister has not replied to the question asked by an hon'ble Member just now. The question was as to how many people have disclosed black money under voluntary disclosure scheme and the amount of black money seized so far. He says that they want to maintain the confidentiality of this schemes. Therefore, he is not giving information, figures. This information is with Income tax Commissioner only. I want to know the reasons for not disclosing the information in this regard to the hon'ble members or House whereas the information in this regard can be with Income tax Commissioner. If anyone asks the names of the persons who have disclosed black money, in that case one can understand it, because there may be some such persons also about which there is different opinion. I want to know from the Minister of Finance as to what objection he has in regard to giving information in that regard.

I want to ask one more question that is about the people who are declaring their assets or blackmoney under voluntary disclosure scheme. If they are involved in any scandal, in any criminal case, on whom there is any criminal liability, against whom there is any criminal case in Court, whether you would give permissions to them to declare their assets under this scheme or before giving permission you would take into account the criminal cases against them.

[*English*]

SHRI P. CHIDAMBARAM: Sir, the law that has been made by this Parliament is very clear. No one can enjoy immunity if he is proceeded against under large numbers of Acts. That includes the Prevention of Corruption Act; that includes the FERA; that includes the Narcotics and Psychotropic Substances Act and the COFEPOSA. If anyone has the audacity to make a declaration despite the fact that he has been proceeded against under these Acts, he does so at his peril. We will use that as a confession in the proceedings. I do not think, that is an issue at all.

On the other question, about the number of declarants and the amount declared, this information will be shared with this House after the scheme is completed. I am not reluctant to share this information. But the scheme is such that it will succeed and I am sincerely hopeful that you want us to succeed in this House ...(*Interruptions*)

SHRI SHARAD PAWAR: This is already reported city-wise and date-wise in the newspapers.

SHRI P. CHIDAMBARAM: I am coming to that. The scheme will succeed only if we maintain confidentiality and inspire confidence. It is true, as Shri Sharad Pawar has

said, one newspaper carried a report on one day, about the 7th of July or so, purporting to be a list or declaration made. It is precisely because of such inspired reports that we say, we will share all the information, but when the scheme comes to an end.

[*Translation*]

SHRI SATYA PAL JAIN: I think that if the Minister gives this information, it would not be circulated in Press, otherwise news would continue to be published in this manner ...(*Interruptions*)

[*English*]

SHRI N.S.V. CHITTHAN: Mr. Deputy-Speaker, Sir, as we know, in previous years also, the Government had introduced this scheme. May I know from the hon. Minister how much amount was declared and how much tax was earned through this scheme?

SHRI P. CHIDAMBARAM: These schemes have been made in the past. Each one of these schemes resulted in the collection of very small amount. The best scheme brought us a disclosure of about Rs. 1,000 crore or slightly less. All other schemes yielded were very small amounts. I will furnish the information scheme-wise to the hon. Member. They were very small amounts.

[*Translation*]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA: Mr. Deputy Speaker, Sir, whether it is a fact that the Union Government have formulated any scheme for giving advertisement for the propaganda of this scheme of conversion of black money in white money? My second question is how much amount has been collected under this scheme and whether it is less than the amount of expenditure on the advertisement? I also want to put one more question in this regard that is if there is any such scheme, then what are the names of the public and Private Companies which have been given contracts and the amount fixed for this scheme by the Government?

[*English*]

SHRI P. CHIDAMBARAM: Sir, it is true that the Government is advertising the scheme. The idea is to advertise the scheme. The idea is that the information should reach everybody. The idea is to motivate people to declare. Therefore, money will be incurred months to months on the advertisements. This will depend upon how the scheme catches on. If the scheme catches on very well, we will moderate the amount spent on advertisements. If the scheme is a big sluggish, we might spend a little more. How can I tell the hon. lady Member, how much we will spend? But believe me, we will collect several times more than what we will spend. You can rest assured of that. And, at the end of the year I will tell you what we have collected.

[Translation]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA: Mr. Deputy Speaker, Sir, I had asked the Minister whether any amount has been fixed or not? ...*(Interruptions)*

[English]

SHRI NIRMAL KANTI CHATTERJEE: About the revenue collection, the cost is only one per cent or even less than one per cent. If they say "several times more" that means it is going to be a failure ...*(Interruptions)*

[Translation]

MR. DEPUTY SPEAKER: I want to bring this fact to the notice of the hon'ble members that the House has decided that not more than five supplementary questions would be asked on a question. Seven supplementary questions have been asked on this question. If more supplementaries are asked, there would not be any time for asking supplementary question on the remaining questions. Therefore, I am taking up the next question.

#### Slow Down in Exports

+  
\*42. SHRI I.D. SWAMI:

SHRIMATI LAKSHMI PANABAKA:

Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a massive slow-down in India's exports during 1996-97 and in April, 1997;

(b) if so, the reasons therefor;

(c) whether in view of this, Government propose to set up a High Powered Export Promotion Board headed by the Cabinet Secretary to resolve Inter-Ministerial problems related to export sector;

(d) if so, the details of the Export Promotion Board; and

(e) the other steps taken to boost exports during 1997-98?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (e) A Statement is laid on the Table of the House.

#### Statement

(a) Exports during 1996-97 are estimated at US \$ 33106 million representing a growth in dollar terms of 4.12% over the exports valued at US\$ 31797 million during the corresponding period of last year. India's exports during April-May, 1997, are estimated at US\$ 5401.41 million which is 1.98% lower than the level of corresponding period last year.

(b) Export performance is dependent, inter alia, on international factors such as market conditions and tariff and non-tariff barriers to trade, besides domestic factors

such as policy framework and procedures, state of domestic infrastructure, export competitiveness of export products etc. A slow down in exports during 1996-97 is to be viewed in the context of a substantial slow down in world trade at 4% growth during 1996 as compared to 19% growth in 1995, low/negative import growth in India's major trading partners, a paradigm shift in demand for soft goods exported by India, sector-specific issues affecting gem & jewellery, leather sector etc. and infrastructural constraints. During April, 1997 the transporters strike seems to have affected movement of export shipment and the consequent export growth.

(c) and (d) At a meeting chaired by the Hon'ble Prime Minister to discuss export related issues recently, a strong plea was made for the setting up of an Export Development Board (EDB) to facilitate significantly high growth in the export sector and to effect greater inter-departmental coordination for achieving the export objective. Consequent on the positive response to the setting up of EDB, the proposal is being pursued further by the Ministry of Commerce.

(e) A number of measures have been taken by the Government to improve export optimism and strengthen the incentive system. The Budget 1997-98 restored the 80 HHC provision in terms of income tax exemption of export profits. The new Exim Policy for 1997-2002 considerably simplified the policies and procedures and consolidated the gains of previous Exim Policy. Efforts have been made to provide a hassle-free trading environment. Separately, M/o Commerce held discussions with the Export Promotion Councils and Commodity Boards regarding export promotion measures to achieve higher growth. Separately, meetings with trade and industry were organised by the chambers of commerce and apex organisations like FIEO. Inter-Ministerial discussions were held with M/o Finance, Textiles, Surface Transport to address specific measures required urgently to improve exports. Interest on export credit has been reduced by one percentage point. It is proposed to set up an EDB to resolve inter-Ministerial issues and to give a national priority thrust to export efforts.

[Translation]

SHRI I.D. SWAMI: Mr. Deputy Speaker, Sir, the Hon'ble Minister has admitted that there has been export deficit and some steps have also been taken for increasing export. But, I want to know from the Hon'ble Minister the amount of trade deficit. Secondly, he has also admitted that in 1997-98, under the terms of provisions of 80 H.S.C., income tax exemption has been restored. Is the entire country coming on the method of error in correction or planning? Thirdly, I want to know the reasons for the restoration of this exemption which was withdrawn earlier. Has the export increased due to this in these months and if so, the extent thereof?

[English]

DR. BOLLA BULLI RAMAIAH: Sir, with reference to the total trade deficit, it was about five billion dollars last

year. About the benefit, as the hon. Member has rightly said, one of the measures taken is the income tax benefit which has been given to exporters. Along with it, there are other measures also which have been taken. But you cannot expect that the result will come overnight.

There are also various other factors that we will take into consideration for increasing our trade. As everybody knows growth rate in, the international trade has come down from 19 per cent in 1995 to four per cent in 1996. Some industries are also facing sector specific problems. The leather industry is facing some difficulties. The gem & Jewellery sector is also facing some problems. Similarly, the export of our agricultural products like rice, wheat and sugar has also come down. So, various factors are responsible for it. That is why I say the effect of the various measures that we have taken will be able to reflect in performance very soon.

SHRI I.D. SWAMI: My first question was, why this exemption was withdrawn. What was the reason for this? What was the Government's planning for withdrawing this? What did the Government think at that time? Making an error and then correcting it, is not the way that the Government functions. If the exemption was withdrawn, it was only for one or two years. Again you have restored that exemption. I would like to know what were those reasons. This is part one of my question.

After the new liberalisation scheme in 1993-94, in 1994-95, the growth rate was 20 per cent. But now this rate is not more than 4.5 per cent or five per cent ... (Interruptions) Rather there is a negative growth. What are the reasons for this?

DR. BOLLA BULLI RAMAIAH: Sir, various measures have been taken in the Budget which were due to various reasons that we had to do it. After receiving representation from various people, some modifications have been made. This is one of the measures taken by us and I do not think, this has got anything to do with various other considerations.

About the growth rate, the hon. Member has said that when earlier it was quite good, it was 20 per cent, what has happened now? About the growth rate, over and above, the base has come up. As I mentioned earlier, the international trade has become slackened.

This is one of the factors, which has also affected our growth rate. But, in spite of that, we are making a lot of efforts to see that our exports will be going up substantially. With these few items, as I mentioned earlier, the particular sectors of our commodities will be affected.

I am sure, the hon. Member will be able to appreciate the measures we have taken, like the liberalisation policy. We are trying to see opportunities in various other countries, i.e. we are trying to export our commodities to non-traditional countries. We are also trying to export non-traditional products. This way, we will be able to improve our exports.

SHRI NIRMAL KANTI CHATTERJEE: Sir, the picture is very dismal. The reference to the international growth only underlines that picture. We export 0.5 per cent of world exports. If the growth rate of world trade is higher than ours, then, we are sliding back in terms of a fraction and that is what is happening. That is why, really, our drive for exports should remain.

The second part is, we have liberalised our imports at the cost of Indian industries, as the industrialists say. The argument advanced at that time was that we are reducing the import duties so that we import certain things at a cheaper cost, so that our exports rise, our exports become competitive. That was one of the arguments. I do not accept that argument but that was one of the arguments advanced.

My question, therefore, is whether the import intensity of our exports has increased because of reduction of customs duties? Are we able to utilise our imports so that our exports are increasing. This is one question I want the hon. Minister to answer.

DR. BOLLA BULLI RAMAIAH: Sir, there is a definite indication in respect of particular commodities that by reduction of import duties, our exports have gone up. Look at what has happened in the case of electronic and software exports. Our growth has gone up to 60 per cent in the last two years. Now it has gone up to more than 80 per cent. So, it has got an effect.

SHRI NIRMAL KANTI CHATTERJEE: Has the overall intensity of imports in exports gone up or not? Do not mention just about one sector.

DR. BOLLA BULLI RAMAIAH: What I say is, if you look at what happens, as our agricultural production has come down, somehow these things have affected our growth rate. But there are other industries where the growth rate has gone up. Definitely, the fact that the import duties have come down has given a lot of benefit to the export growth rate.

SHRI SURESH PRABHU: Sir, I wish the Government well because it appears that the strategy of the Government to increase exports is hinging more on wishful thinking rather than on concrete steps. I wish the Government really well because of that.

Is it true that since we have signed the WTO treaty and at the same time trade blocs have been created, these trade blocs are affecting our exports? Our professed idea of joining the WTO was that we would be able to get into international trade without any hindrance. But, are the trade blocs coming in our way?

Is buying of rupee in the market by the Reserve Bank of India also one of the strategies of promoting exports by keeping the rupee weak? Our reserves are now climbing to \$29 billion. Is that also part of the strategy to promote exports?

DR. BOLLA BULLI RAMAIAH: The hon. Member must



look into one aspect of it. Our rupee has become stronger now; it has not become weaker. If you look at the last few years, the rupee has become, day-by-day, stronger and stronger. This is the first point.

The second point is about our export promotion of various commodities which are going to have some problems with the World Trade Organisation. Just as various countries impose anti-dumping duties on exports from our country, we are going to have them also. The World Trade Organisation has provided certain amount of safety clauses. If there is some sort of problem, we have the option to go to the Tribunal and they also have the option. So, that will be safeguarded.

SHRI SUDHIR GIRI: Mr. Deputy-Speaker, Sir, I would like to know from the hon. Minister whether the Government is aware of the restrictions on textile goods which are being imposed by developed countries, especially the European Union countries; if so, whether the matter has been taken to the appropriate forum of the World Trade Organisation; and if the reply is in the affirmative, what is the outcome.

DR. BOLLA BULLI RAMAIAH: Sir, what the hon. Member has mentioned is correct. In the case of textile products, the European Union has brought what is called anti-dumping measures. They want to include unbleached cotton fabric in this category. But we are examining options, including going to WTO and won the case. We are hoping to come out successfully. Recently they have included Synthetic fibre rope representation to WTO. We have a strong case and we will definitely succeed in that also.

[Translation]

DR. LAXMINARAYAN PANDEY: Mr. Deputy Speaker, Sir, I want to know from the Hon'ble Minister about the areas in which export has reduced and import has increased in the recent past.

Secondly, the Export Promotion Council had given suggestions from time to time to you. Now efforts are being made for the constitution of new board by ignoring the recommendations of the Council. What was the need to constitute such a board and what were the difficulties being faced by the Government while rejecting the recommendations of Export Promotion Council?

[English]

DR. BOLLA BULLI RAMAIAH: No. We are constantly in touch with the Export Promotion Councils. In the Export Promotion Board we are only appointing Cabinet Secretary as Chairman so that any problem connected with inter-Ministry could be resolved quickly.

DR. LAXMINARAYAN PANDEY: Then, are you shelving the Export Promotion Council?

DR. BOLLA BULLI RAMAIAH: Sir, Export Promotion Council is different. That is for exporters. They will come and discuss several issues. We will also take up those

issues and try to resolve them as much as possible. It is a constant process going on between the Government and the exporters. In this new Board we have made the Cabinet Secretary the Chairman so that inter-Ministerial problems are solved quickly.

SHRI C. NARASIMHAN: Sir, may I know from the hon. Minister as to how many export houses are functioning in this country? What is the value of the export done during the last year?

DR. BOLLA BULLI RAMAIAH: Sir, I do not have the figures. I will collect the details that is required by him and furnish it to him.

[Translation]

PROF. OMPAL SINGH 'NIDAR': Mr. Deputy Speaker, Sir, Shri I.D. Swami had asked the Hon'ble Minister as to why the income tax rebate was withdrawn and later on why that rebate was given. It has not been replied. I would like to know if it is not like asking for the donation and when the same was not received the rebate was withdrawn and when the donation was given the rebate was given. This is my question which should be replied to. This is my apprehension. I am asking question out of the question and the whole question means that the question should be asked out of the question. Your reply is that when the people asked for withdrawal it was withdrawn and later on when the people requested, we gave that rebate again. Is it not so that it involved the case of donation or black money and when the exporters were asked to give donations and when they did not give the donation, the rebate of income tax was withdrawn and when they gave the donation, they were given the rebate. Is it so?

[English]

DR. BOLLA BULLI RAMAIAH: Sir, I am not surprised that the hon. Member has given certain comments on this. The Budget is always a provision and on the basis of that we would be able to make some sort of application. Various people give representations. Hon. Members can also make representation. After getting representations for different sectors, we make certain provisions. It is a constant on-going process. There is nothing special in this. All that I can say is that this is going to be as usual. That is all.

SHRI A.C. JOS: Sir, after liberalisation many items have been taken away from the public sector and given to the private sector. A lot of items have been given for import on the basis of export development. In the present policy many items have been channelised through Indian public sector trading organisations. Will the Government be pleased to de-canalise and encourage the exporters to export and on the basis of that they may be permitted to import? Will the Government be pleased to do that?

DR. BOLLA BULLI RAMAIAH: Sir, the hon. Member's representation has come to me. We are also examining the issue. The representation is of a different type. We are going to work out all these things and we will be able to take an appropriate measure.

**Anti-Dumping Duty on Newsprint and Graphite**

+  
\*43. SHRI BHAKTA CHARAN DAS:

SHRI N.K. PREMCHANDRAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have decided to impose antidumping duty on newsprint and graphite electrodes originating from US, Germany, France, Spain, Italy, Austria, Belgium and China;

(b) If so, the details thereof;

(c) the circumstances which compelled the Government to impose this duty;

(d) the rate of duty likely to be imposed per tonne and likely earnings therefrom;

(e) whether due to imposing this duty, Indian export is likely to be affected to these countries; and

(f) If so, the details thereof and the steps taken so that India's trade relations are not affected?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (f) A Statement is laid on the Table of the House.

**Statement**

(a) to (d) Designated Authority appointed under the Customs Tariff Act and the Rules for anti dumping investigation made thereunder, is conducting investigations, which are quasi-judicial in nature. The Designated Authority has notified the preliminary findings recommending imposition of provisional anti dumping duties and the investigations are continuing against imports of newsprint from USA, Canada and Russia and against imports of graphite electrodes from USA, Austria, France, Germany, Italy, Spain, Belgium and China PR.

(e) and (f) Anti dumping investigations are carried out and duties recommended in accordance with laws which are in conformity with GATT agreement. Imposition of anti dumping duties following such investigations which conform to GATT agreement, do not adversely affect India's trade relations.

SHRI BHAKTA CHARAN DAS: Mr. Deputy Speaker, Sir, the hon. Minister has not given answers to my questions (c) and (d). I would like to know what is the rate of duty imposed on the newsprint and graphite electrodes.

DR. BOLLA BULLI RAMAIAH: This is a quasi-judicial system that operates on the basis of the representation received from different parties. They will examine it and they will work out various things. In the case of graphite electrodes, duties have been recommended on imports from Germany at the rate of about Rs. 9,000 per MT to

Rs. 20,933/MT; from France at the rate of Rs. 29,000 per MT; from Italy at the rate of about Rs. 21,000 per MT; from Austria at the rate of about Rs. 27,000 per MT; from Spain at the rate of about Rs. 17,000 per MT and from Belgium approximately at the rate of Rs. 16,000 per MT. This is based on the dumping system; where category-wise and exporter-wise duties are recommended.

SHRI BHAKTA CHARAN DAS: In answer to question (e) and (f), the hon. Minister has said that the anti-dumping investigations are carried out and duties recommended in accordance with laws which are in conformity with GATT agreement. Imposition of anti-dumping duties following such investigations which conform to GATT agreement do not adversely affect India's trade relations.

I would like to know from the hon. Minister whether it is true that by signing the GATT agreement we have surrendered to the conditions of WTO. I would also like to know whether the domestic selling prices are higher than the imported electrodes which is used by the steel industries as conductors of electricity. If no Indian manufacturers produce the required range, what are the circumstances which compel them to impose the duty?

DR. BOLLA BULLI RAMAIAH: These items, as I mentioned earlier, are taken into consideration by seeing the country which are exporting, the local price at which they are selling and the price at which they are selling to India. This is what is called anti-dumping. That is why, we have to protect our industry and we work out the injury margin and level of duties that is required. On the basis of that only we arrive at these figures.

SHRI RAMESH CHENNITHALA: By putting newsprint in Open General Licence, Indian indigenous newsprint units are facing a lot of problems. One public sector undertaking which was running in profit, that is, the Hindustan Newsprint Limited in my constituency, is at the verge of closure because of dumping of newsprint from other countries like Canada, America and others. Earlier, there was a formula which was adopted for import, which is, 2:1. That means, for every two tonnes of newsprint taken indigenously, one tonne would be allowed to be imported. This was the formula that existed earlier. but this was changed now. Due to that, almost all public sector undertakings were closed down. For example, in Madhya Pradesh, NEPA is closed down; in Assam, NAGAUG is closed down; Mysore Paper Mill is also closed down and other units were also closed down. Almost all the public sector undertakings which were manufacturing newsprint were closed down because of this policy.

I am congratulating the hon. Minister for imposing a ten per cent duty on this. By this, a small relief has been given to them. But because of dumping, other existing units which are working well would also be closed down. So, I would like to know from the hon. Minister whether newsprint will be taken out of OGL and whether 2:1 formula would be adopted.

DR. BOLLA BULLI RAMAIAH: Hon. Member has put

a very valid question. The formula of 1:2 in respect of imports against the local purchase was introduced by the earlier Government and was not introduced by this Government. Regarding the question of representation coming from the newsprint manufacturers, I would say that that is the reason why the anti-dumping process has been gone into in respect of those things.

And they have worked out different measures and have already indentified three countries, that is, USA, Canada and Russia, which are dumping in this country and we are also going to have a final hearing on the 7th August when all the people can come with their representation. After that, they will give their final findings.

[Translation]

SHRI KASHI RAM RANA: Mr. Deputy Speaker, Sir, Hon'ble Minister has talked about imposing anti dumping Duty on the imports of material for the protection of industries in the country. About newsprint also he has said that a decision in regard to anti dumping duty on newsprint will be taken by 7th August. This discussion is going on for several months. Several representations have been received by Finance Minister and Commerce Minister in this regard. Our newsprint mill in my constituency is closed for the last several months and the labourers working there are unemployed. Several mills of newsprint are lying closed in the entire country. A representation from the workers of NEPA has also been received three days ago. Why the Government is delaying the recommendations made by Designated Authority? What are the reasons for delay in implementing the recommendations regarding anti Dumping Duty? On the rest of the things you have imposed it but why don't you take decision in this regard urgently?

[English]

DR. BOLLA BULLI RAMAIAH: Sir, as the hon. Member has mentioned, anti-dumping procedure has been started as the Indian industry is suffering and the designated authority has to give a final hearing for both the newspaper printers and also manufacturers. We are going to have the final hearing on the 7th August and after that, we will come to a final decision come.

[Translation]

PROF. RASA SINGH RAWAT: According to the agreement, signed by the Government of India under W.T.O., India will have to follow the open market policy in the world and it will have to keep away from the import export of various items. On the other hand, the demand of consumer items in India is increasing and the prosperous countries of the world have imposed anti-dumping duty on certain items and efforts are being made to make rest of the items import free. To ensure that India's export interests remain protected the interests of agro based products and other items manufactured by domestic industry remain protected. What efforts are being made by the government? Because he has also complained that pressure is increasing on us.

In that context, what are those guidelines which are being followed by the Government of India?

[English]

DR. BOLLA BULLI RAMAIAH: Regarding what the hon. Member has mentioned about the WTO, we have both ways. We are allowing imports on the basis of various goods which are to be made available. At the same time, it should also not affect our industry. That is how anti-dumping process is going to protect the Indian industry. Whenever dumping takes place, we should also protect our Indian industry. That is the reason why, while bargaining for our agricultural products and various other commodities, we are discussing about it with each Ministry and we take into consideration the view of each Ministry. We are not going ahead without consulting each Ministry. That is how, we are processing these things and anti-dumping process is also a part of it. We want to protect our industry.

SHRI P.C. CHACKO: The overconscious and very slow anti-dumping process being taken by the Commerce Ministry is not doing good. By the time the Commerce Ministry takes the anti-dumping steps and measures, the Indian industry will be totally dead. I remember what Shri Chidambaram said in this House that we are facing an unequal world.

The newsprint is being imported into this country even at less than the cost price. All the newsprint factories in this country are being closed down. Contrary to the rules and regulations of the WTO, other countries, particularly European countries, are imposing anti-dumping measures on Indian products, especially Indian cotton. What steps are we taking? The whole House is concerned with it.

MR. DEPUTY-SPEAKER: So, what do you want to ask?

SHRI P.C. CHACKO: My question to the hon. Minister is that our steps are very slow. It is not protecting the local industry. Will the Minister assure this House that a Special Cell will be formed in the Ministry of Commerce to take expeditious steps to save the Indian industry from encroachment by the world monopoly?

DR. BOLLA BULLI RAMAIAH: Sir, I also agree with the hon. Member. Now, we have also made a proposal on Anti-Dumping Directorate with adequate staff to take care of all these issues. I think, this is almost approved.

SHRI P.C. CHACKO: In six months, you could not take a decision about newsprint. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Do you want to add anything?

DR. BOLLA BULLI RAMAIAH: That is what I have said. We have now proposed Anti-dumping Directorate which will be able to increase the number of people in order to take care of all these issues.

**Eastern Coalfields Limited**

\*44. SHRI RAMBAHADUR SINGH: Will the Minister of COAL be pleased to state:

(a) whether the Eastern Coalfields Ltd. of Coal India Limited is potentially sick with mounting debts;

(b) if so, the details of financial liabilities of the Company;

(c) the reasons identified for the company's sickness; and

(d) the steps contemplated by the Government for its revival?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (d) A statement is laid on the Table of the House.

**Statement**

(a) Yes, Sir.

(b) The financial liabilities of Eastern Coalfields Limited (ECL) as per the company's audited balance sheet as on 31.3.96 are as under:-

Liabilities	As on 31.3.96 (Rs.crores)
1. Paid-up capital	1039.00
2. Reserves	9.32
3. (i) Secured Loans	60.20
(ii) Unsecured loans	1706.64
4. Current liabilities	1337.96
<b>Total</b>	<b>4153.12</b>

(c) The reasons for sickness of ECL are:-

- (i) There are 11 areas producing 38.94% of the total production of ECL but engaging 68.83% of the company's manpower. About 80% of the average annual loss of ECL is caused by these 11 areas.
- (ii) The capacity utilisation and per capita productivity (Output per manshift) in ECL are very low as compared to the other subsidiaries of Coal India Limited.
- (iii) Underground mines of the country, in general, have much lower productivity than the opencast mines. Proportion of underground production to the total production in ECL is high. The requirement of sand stowing in the underground mines of ECL adds to the cost of production. Majority of the underground mines are very old and a large number of them are being worked manually.

(iv) Many underground mines of ECL are having geo-mining problems like steep and multiple seams, occurrence of fire and water-logged old workings.

(v) The size of the mine determines the economics of production. By and large, due to the presence of various geo-mining problems, even after re-organisation of some of the mines, the average size of the mines in ECL is small.

(d) In 1996 the Government took a decision to waive the overdue normal interest of Coal India Limited (CIL) upto 31.3.92 of Rs. 891.75 crores and the penal interest accruing thereon since 1.4.95 upto 31.3.96, i.e. Rs. 138.48 crores. ECL received a benefit of Rs. 389 crores from this decision. In March, 1996 the Government took a decision to deregulate the prices of coking coal and A, B & C grades of non-coking coal. In March, 1997 the Government have deregulated the prices of hard coke, soft coke and D grade of non-coking coal. In 1995-96, ECL earned an additional income of Rs. 360 crores due to the price revisions done by CIL in respect of the deregulated grades. The additional earning of ECL in 1996-97 on account of deregulation will be known after the 1996-97 accounts of the company are audited.

In addition to the above measures already taken, the following steps are contemplated by the Government for revival of ECL:-

- (i) Phase-wise rationalisation of manpower by availing of natural wastage and redeployment of surplus manpower.
- (ii) Conversion of debt to equity in ECL to the extent of about Rs. 994 crores in order to enable the company to have a considerable positive net worth.
- (iii) Optimisation of production by strengthening the Longwall phases in underground mines, construction of haulroads in large opencast mines, advance stripping of top alluvium during the dry season and augmentation of workshop support.

**[Translation]**

SHRI RAMBAHADUR SINGH: Mr. Deputy Speaker, Sir, the reply given by the Minister is not satisfactory. The reason is that some facts have been concealed and some are baseless. It has been stated that production takes place in 12 areas of E.C.L. and 68.83% man power is engaged only in 11 areas and their production is 38.94%. But the loss to E.C.L. in these areas is 80%. In this connection I would like to say that E.C.L. has vast potential of starting new mines. If keeping in view this potential new mines would have been started then 68% labourers engaged in these 11 areas could have been deployed in other mines and production could have been increased. But no progress has been made in this regard. I want to make one more request in this regard that the biggest problem in starting new mines till 1991 has been that of overhead burden. Contract system was in vogue till 1991 for removing

overhead burden and solving this problem but it has been discontinued. When this system was stopped then E.C.L. should have taken some steps to start new mines so that the problem of overhead could be solved, but no interest was taken by E.C.L. for solving this problem and the expected progress could not be achieved. Therefore it is not appropriate to say that the number of labourers are much higher than the requirement, so this statement is baseless. As I have said, some facts have been concealed....

MR. DEPUTY SPEAKER: Ask the question.

SHRI RAMBAHADUR SINGH: Sir, I am asking the question. Illegal mining is being done by E.C.L. without any hesitation. Here, pilferage of coal, wasteful expenditure and scams are taking place. These things have not been discussed. I am sure that if this wasteful expenditure is checked, coal pilferage is stopped, illegal mining is checked and restrictions are imposed on spare parts, then it will become viable. I want to know from the hon'ble Minister, whether the points raised by me will be considered seriously and steps will be taken to check illegal mining?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, hon'ble Member has said that if new mines are opened, then manpower would be diverted, and if pilferage is stopped, then the financial position would be good.

I want to say that we have chalked out many such programmes. As we have prepared an 'action plan' in 1997-98 for taking various measures like field wise optimum production, special drive for improvement in the production of S.D.L./L.H.D., strengthening the long wall in phases in underground mines; to reduce production of coal, to lay emphasis on removing the waste from Rajmahal O.K.P. because N.T.P.C. has failed to lift earmarked quantity coal; more construction of haulroads in large opencast mines, advance stripping of alluvium during the dry season, augmentation of workshop support for rehabilitation of S.D.L./L.H.D. and renovation of Dam, reducing the manpower through V.R.S., postponement of capital intensive projects, closure of economically unviable mines, cost control and additional revenue generation and separate wage agreement for E.C.L. Otherwise, its impact cannot be reduced by any element measures taken to improve the working efficiency. We are taking steps in accordance with your suggestions.

[English]

SHRI NIRMAL KANTI CHATTERJEE: Sir, the ex-Minister is speaking to the official gallery. He is not yet aware that he has ceased to be a Minister now!

[Translation]

SHRI RAMBAHADUR SINGH: Mr. Deputy Speaker, Sir, I want to know whether any measures have been taken to check illegal mining. They have talked about the increase in the production of coal but what are the measures which

have been taken to ensure continuous production of coal and for checking pilferage of coal worth crores of rupees which was being sent abroad surreptitiously. Have you preferred any time bound programme for checking this theft, scam? How the illegal mining will be checked?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, I have talked to the people of the E.C.L. management alongwith the local administration for preventing theft of coal. Local administration and the management have succeeded in checking the theft to a great extent.

[English]

SHRI MADHUKAR SARPOTDAR: Mr. Deputy-Speaker, Sir, the reasons to the question have been mentioned in the reply. In part (c) (ii) of the reply it has been mentioned, "the capacity utilisation and per capita productivity (Output per manshift) in ECL are very low as compared to the other subsidiaries of Coal India Limited".

I would like to know, what is the per capita output that has to be fixed? What is the per capita output that is being contemplated to be achieved by the Government?

In connection with this, on the last page of the written reply, it has been mentioned, "phase-wise rationalisation of manpower by availing of natural wastage and redeployment of surplus manpower". I would like to know, since when has this manpower become surplus? What are the reasons for their becoming surplus and who employed them?

[Translation]

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, the hon. Member has asked as to how the manpower has become so much surplus. I would like to say that at the time of nationalisation in 1973, the manpower was quite surplus. We did not increase it on the contrary we tried to reduce it day by day.

"No fresh appointment has been made as of now.

SHRI MADHUKAR SARPOTDAR: I had asked as to

[English]

What was the desired output and what was your achievement and why the manpower has become surplus? This was my question.

[Translation]

MR. DEPUTY SPEAKER: No supplementary question could be asked in this question, you can give a separate notice, and you will get reply.

SHRI DATTA MEGHE: Mr. Deputy Speaker, Sir, still there are liabilities of 13.96 crore rupees and the amount which they have spent and the amount of interest also run in to crores of rupees, I want to ask the hon. Minister as to why loss has been incurred. You cannot retrench labourers. What I want to say is that there are mines which are earning profits and which are open mines, this surplus

labourers should be redeployed there. The companies which are earning profit and doing the same work, surplus labourers should be redeployed there. Moreover they can be redeployed in open mines. There is an area in my constituency named Umrai. I have told hon'ble Minister many a times that there are open mines in that area but work has not yet commenced there. Therefore, where the expenditure is less and there are open mines, surplus employees should be sent there. Moreover the companies which can earn profits to the tune of crores of rupees should be assisted and may I ask as to what hon'ble Minister is going to do for redeployment of surplus staff for open mines?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, we are doing what the hon. Member has suggested. We are sending surplus manpower to other states. But the trade Union people of other states opposed and said that surplus staff of a state should not be redeployed in other states. But we are making efforts to transfer manpower to other states and simultaneously the man power which we have...

SHRI DATTA MEGHE: Trade unions should be brought to the terms.

SHRIMATI KANTI SINGH: We are making all out efforts to bring them to terms and we are also trying to divert additional man power in different ways.

PROF. RITA VERMA: Hon'ble Deputy Speaker, Sir, hon'ble Minister is repeatedly saying that this vast force of labourers they have, was received in legacy at the time of nationalisation of coal companies. I would like to say in this regard that Hon. Minister is quite ignorant if she believes in that. If she tries a little bit to make an inquiry, she will find that her predecessors had reinstated many people from the back-door. They have made such a good provision that the people whom they reinstate, would draw their salaries from E.C.L. whereas their posting is somewhere else. You could ascertain how many such people have been reinstated in different companies.

I have all the facts and figures with me in this regard. On the one hand, you say that the workers are in plenty and on the other hand back-door recruitment is taking place. Your problem will not be solved, if the things go on like this. We have been saying frequently that if we want to reduce this losses, then, we should control illegal mining. But whether the hon. Minister is aware that a Left Front Minister has grandly inaugurated an illegal mine under E.C.L. when a Minister inaugurates illegal mines then how it could be controlled. I have correct information about this.

SHRI DATTA MEGHE: Madam, you please tell the name of the Minister.

PROF. RITA VERMA: The name of the Minister was something Subhash.

SHRIMATI KANTI SINGH: I will verify the facts given by the hon. Member and will let her know.

SHRI BASU DEB ACHARIA: What Ritaji has stated is not correct.

PROF. RITA VERMA: It is correct. I don't give incorrect information.

SHRI BASU DEB ACHARIA: We are against illegal mining and we are also against private mining. That's why a three days strike will be starting from Monday in the entire coal industry.

[English]

SHRI MADHUKAR SARPOTDAR: That will cause further losses.

[Translation]

SHRI BASUDEB ACHARIA: All the trade unions starting from INTUC to CITU are resorting to strike for three days against privatisation of coal mining ...*(Interruptions)* your union is also participating in the strike ...*(Interruptions)*

[English]

Eastern Coal Fields Limited is the oldest coal mining company in our country. The reason for its incurring losses is not just over mining. ECIL has 1,67,000 workers on its rolls. But it is also a fact that in the first quarter of the current year ...*(Interruptions)*

✓ MR. DEPUTY SPEAKER: Come to the question please.

*(Interruptions)*

[Translation]

✓ MR. DEPUTY SPEAKER: Mr. Acharia, please put your question.

*(Interruptions)*

SHRI BASUDEB ACHARIA: Why are you loosing your patience ...*(Interruptions)*

[English]

✓ MR. DEPUTY SPEAKER: Please put your question.

*(Interruptions)*

[Translation]

MR. DEPUTY SPEAKER: You please put your question instead of giving facts.

[English]

SHRI BASUDEB ACHARIA: In the first quarter of this year, the growth of ECIL has been the highest among all the subsidiaries. My question is, in order to make this company which is producing the coal of best quality because the quality of underground coal is the best and in order to reduce the losses and make this company viable, whether the Ministry will ...*(Interruptions)*

✓ MR. DEPUTY SPEAKER: Conclude the question, Achariaji.

SHRI BASUDEB ACHARIA: I am asking the question.

SHRI MADHUKAR SARPOTDAR: He is giving full information.

[Translation]

MR. DEPUTY SPEAKER: You please conclude your question.

SHRI BASUDEB ACHARIA: I am asking the question but I am being interrupted frequently then how can, I continue with my question?

MR. DEPUTY SPEAKER: The question Hours time is coming to an end soon.

SHRI BASUDEB ACHARIA: My question is as to what is being done to make this company viable? What steps are being taken to reduce the losses there by making it a profit making company? In our State, the two districts Purulia and Bankura ... (Interruptions)

MR. DEPUTY SPEAKER: She has listened to your question. Now let her reply.

[English]

SHRI BASUDEB ACHARIA: I would like to know whether new projects will be sanctioned, particularly on the right bank of river Damodar, in the two Districts of West Bengal, Purulia and Bankura, which have abundant reserves of coal.

MR. DEPUTY SPEAKER: Please give some time for answer.

[Translation]

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, since the hon. Member is very much familiar with ECIL area, hence he knows every aspect of it. As far as his question is concerned, I had already mentioned that we have chalked out an action plan for bringing improvement therein. The hon. Member has made a mention of Purulia and Bankura. We are likely to start new projects there also as had already been told about it. I will talk to the hon. Member regarding specific points. In addition to this, whatever information he wants, I will give it to him ... (Interruptions)

12.00 hrs.

[English]

MR. DEPUTY SPEAKER: Achariaji, please take your seat. I have already asked the other member to speak.

(Interruptions)

[Translation]

SHRI RAMENDRA KUMAR: Mr. Deputy Speaker, Sir, the Government have chalked out an action plan for the progress of ECIL. I would like to ask the Minister as to whether there has been a decline in manpower in ECIL

every year and it is suffering heavy losses despite increase in the production and productivity? Whether the Minister will tell as to how much production is required so that the company is run on no profit no loss basis?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, whatever the information hon. Member has asked for, we will furnish it to him.

## WRITTEN ANSWERS TO QUESTIONS

[Translation]

### Bidi Industry

\*45. SHRI JAGDAMBI PRASAD YADAV: Will the Minister of INDUSTRY be pleased to state:

(a) the number of persons engaged in bidi industry in the country, particularly in Bihar, the annual production of bidi and the quantity exported out of it;

(b) whether the Government have formulated any scheme to encourage bidi industry and to raise the wages of workers and also to improve their health care; and

(c) if so, the details thereof and if not, whether the Government propose to formulate such schemes?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The estimated total number of workers engaged in the manufacture of bidi in the country is 43,63,520. Based on figures of cess collection for 1996-97, the production of bidi in the country is estimated to be 41780 crore number. In Bihar the estimated number of bidi workers is 3,91,500 and the production during the above period is 1956 crore number of bidies. The export of bidi from the country in terms of value during 1995-96 has been Rs. 16.11 crores.

(b) and (c) Facilities and incentives extended to the small industry are available for the growth and development of bidi industry. The working conditions/Welfare/health care of Bidi workers are governed under the following Central Acts.

- (i) Government have enacted Bidi and Cigar Workers (Conditions of Employment) Act, 1966 for the welfare of the bidi workers and to regulate the conditions of their work.
- (ii) The provisions of Payment of Wages Act, other relevant Industrial Workers Acts and Labour Laws have been made applicable to bidi workers. The State Governments revise minimum wages for bidi workers from time to time under the provisions of the Act.
- (iii) Through enactment of the Bidi Workers Welfare Cess Act, 1976 and the Bidi Workers Welfare Fund Act, 1976, a 'Welfare Fund' has been created for bidi workers under Ministry of Labour, Government of India. The Ministry of Labour is implementing

a number of welfare schemes for bidi workers and their families in the field of health, education, housing and recreation.

[English]

### **Legislative Councils**

\*46. SHRI K.H. MUNIYAPPA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government have decided to review Legislative Councils in some States;

(b) if so, the details thereof;

(c) whether some parties are not only opposing the view of reviving Legislative Councils but also suggesting to wind up Legislative Councils in the States where they are existing; and

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

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a), (b) and (d) Government have decided to introduce a Bill for revival of Legislative Councils in the States of Punjab and Tamil Nadu.

(c) Yes, Sir.

### **Insurance Cover to Investors**

\*47. SHRIMATI SARADA TADIPARTHI:

SHRI VIJAY PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether Rs. 1000 crore CRB scam was unearthed recently;

(b) if so, the details thereof;

(c) whether the Government propose to bring forward a legislation to protect investors;

(d) if so, by when;

(e) whether an insurance cover is likely to be provided to protect the interest of investors;

(f) if so, the details thereof and other measures likely to be taken by the Government in this regard; and

(g) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The main activities of CRB Capital Markets Ltd. (CRBCML) were hire purchase, leasing, merchant banking, bills discounting and making loans and advances. A complaint was received in December, 1996 by Reserve Bank of India (RBI) from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about

development of Letter of Credit opened by a group Company. Further, CRBCML fraudulently overdrew its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out by RBI between November, 1996 and January, 1997 and the subsequent developments, especially relating to State Bank of India (SBI), RBI issued prohibitory orders in April, 1997 under section 45MB(1) & (2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by the Delhi High Court. The Liquidator has initiated action to crystallize the assets and liabilities of the company.

(c) and (d) Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India Act, for regulating Non-Banking Finance Companies (NBFCs) which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity and solvency of NBFCs and are expected to go a long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue.

(e) to (g) A viable deposit insurance scheme for NBFCs requires the consolidation of this sector and an adequate frame-work for their supervision. Further, the possibility of the riskier of the NBFCs being favoured by a non-discriminating, all inclusive approach to deposit insurance has to be kept in view. The examination of the feasibility of introducing a deposit insurance scheme for the depositors of NBFCs is one of the terms of reference of the working group constituted by RBI in September 1996 to examine an appropriate instrumentality for supervision of NBFCs.

### **Trade with Bangladesh**

\*48. SHRI BAJU BAN RIYAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the export policy for facilitating trade with Bangladesh in the package of programmes for developing of North-Eastern States has been formulated;

(b) if so, the details thereof;

(c) the main recommendations of the Shukla Commission in this regard in framing of this policy; and

(d) the expected time for implementation of the said policy?



THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The Government of India has announced Export Import Policy for 1997-2002 which will be valid upto 31.03.2002, wherein a special provision has been made that Export Houses, Star Trading Houses etc. will be given Special Import Licence at 1% of the total turnover from the North Eastern States.

While there is no specific Export Policy for facilitating trade with Bangladesh in terms of development of North Eastern States, initiatives such as operation of additional routes for trade under the Inland Water Transit and Trade Protocol, Issue of Chittagong Port as an additional Port of call, tariff concessions on 572 tariff lines at six digit level to Bangladesh etc. would have certain benefits for the Indo-Bangladesh trade.

(c) Recommendations of Shukla Committee includes:-

- (i) A transport optimization study for international linkages and transit/transshipment arrangements with Bangladesh, Myanmar and Bhutan.
- (ii) Setting up of Inter-Ministerial Task Force to review the entire North East border and inter-country trade issue with particular reference to Bangladesh, Myanmar, South East Asia and South East China and to report on trade opportunities related to manufacturing possibilities in the North East, required infrastructure and communication links, banking and warehousing facilities, necessary customs and security arrangements and manpower needs.
- (iii) Review of Indo-Bangladesh trading possibility and transit routes in relation to North East.
- (iv) Commission of a study (or a joint study with Bangladesh) of the costs and benefits to both countries from trade and transit, including the use of Chittagong Port as a entry port for the North East.

(d) The various recommendations are under examination and it is premature for any time bound implementation plan.

#### **Disinvestment Commission**

\*49. SHRI AJMEERA CHANDULAL:

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Ministry of Industry is disowning Disinvestment Panel;

(b) if so, whether the Ministry has urged the Finance Ministry to take this Advisory Body under its jurisdiction;

(c) if so, the main reasons therefor and to what extent the Finance Ministry has agreed;

(d) the total number of recommendations made by the Disinvestment Commission so far;

(e) the number of recommendations implemented so far;

(f) the total number of Public Sector Undertakings which have been recommended for disinvestment by the Disinvestment Commission; and

(g) the extent to which these Public Sector Undertakings have been allowed to disinvest?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) No, Sir. There is no question of disowning the Disinvestment Commission. As a matter of administrative convenience, placing the Commission with the Finance Ministry had been suggested at one stage. However, the Ministry of Industry continues to remain the administrative Ministry for the Disinvestment Commission.

(d) to (f) 50 Public Sector Undertakings have been referred to the Commission. So far it has submitted three reports covering 15 of these Undertakings. It has recommended varying level of disinvestment/strategic sale/restructuring in 12 PSUs. It has also made some general recommendations on PSUs. The implementation of the recommendations is a continuous process subject to requisite Government decisions. Decisions have already been taken on the major recommendations relating to disinvestment which would assist in raising the targetted resources through disinvestment during the current fiscal year.

(g) No actual disinvestment has taken place so far this year.

[Translation]

#### **Modernisation of Textile Mills and Jute Mills**

\*50. SHRIMATI PURNIMA VERMA:

SHRIMATI SHEELA GAUTAM:

Will the Minister of TEXTILES be pleased to state:

(a) the amount provided for the modernisation of textile mills and jute mills under textile modernisation scheme and Jute Modernisation Fund during 1996 and 1997 (till date), mill-wise;

(b) whether the said mills are earning profit after modernisation and if so, the details thereof;

(c) the number of workers retrenched as a result of modernisation of these mills, mill-wise;

(d) the number of textile/jute mills proposed to be modernised during 1997-98, State-wise; and

(e) the details of the amount likely to be provided for the purpose during the current year?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) to (e) The Textile Modernisation Fund Scheme was discontinued in August, 1991. As regards Jute Modernisation Fund Scheme, it has not been extended beyond 31.3.1995. However, a proposal is under formulation to facilitate modernisation, through technological upgradation, of the textiles and jute 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 a Technology Upgradation Fund for textiles and jute industries are being worked out.

#### Export of Readymade Garments

\*51. SHRI RAM KRIPAL YADAV:

SHRI RAM TAHAL CHAUDHARY:

Will the Minister of TEXTILES be pleased to state:

(a) the value of readymade garments exported during each of the last three years;

(b) the country-wise details of the export of garments made during the above period;

(c) whether the Apparel Export Promotion Council explored markets in various countries during the last year; and

(d) if so, the names of such countries and the value of garments exported to these countries?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) The total value of readymade garments exported during each of the last three years is as follows:-

Value in million US Dollars

1994-95	4433.83
1995-96	4453.31
1996-97	4762.10

(b) The country-wise exports of readymade garments to some of the major importing countries are as follows:-

Value in Million US Dollars

	1994-95	1995-96	1996-97
European Union	2042.4	1970.2	1899.9
USA	1257.9	1200.3	1352.8
C.I.S.	188.8	243.0	272.4
U.A.E.	132.9	144.8	186.4
Canada	135.7	160.4	164.5
Japan	149.3	153.2	119.9
Switzerland	106.1	110.5	101.5
Australia	57.3	71.2	90.2

(c) and (d) The Apparel Export Promotion Council has explored various markets by organising special export promotional events like Buyer-Seller-Meets as well as by sending exploratory delegations during the last year. The exports of garments during the last year to the countries where special export promotional activities have been organised by the Council have been as follows:-

Value in Million US Dollars

	1996-97
Australia	90.2
New Zealand	21.9
Brazil	27.1
Venezuela	4.86
Chile	27.2
South Africa	32.5
Japan	119.9

[English]

#### Government Borrowings

\*52. SHRI RAMESHWAR PATIDAR: Will the Minister of FINANCE be pleased to refer to Unstarred Question No. 422 dated November 22, 1996 on the above subject and state:

(a) whether any decision has been taken by the Government to invoke provisions of articles 292 and 293 of the Indian Constitution to enable the Parliament to cap Government borrowings;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No. Sir.

(b) and (c) It is proposed to circulate a 'Discussion Paper' on the subject for generating an informed debate. The feasibility and practicability of fixing a limit on borrowings by the Government of India under Article 292 of the Constitution could be considered based on the outcome of the debate.

#### Coins, Currency Notes and Security Papers

\*53. SHRI BALAI CHANDRA RAY:

SHRI TARIT BARAN TOPDAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of growing shortage of coins, currency notes of smaller denominations and security papers for sale-purchase deals and difficulties encountered by the general public on this account over the last one year;

(b) if so, whether the position has recently been reviewed;

(c) if so, the details thereof;

(d) the details of measures taken/proposed to be taken to overcome the problem effectively; and

(e) the details of on-going projects and status of implementation thereof and new projects proposed under consideration?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Government are aware that there is a general shortage of currency notes, coins and lower denominations of stamp papers in the country. This is due to the limited production capacity at the Note Presses/Security printing presses/mints.

(b) to (d) With a view to improving the supply of currency notes/coins and stamp papers, Government has

taken various steps like (i) modernisation of existing two note-printing presses at Nashik and Dewas; (ii) setting up of two more new note-printing presses under the direct control of Reserve Bank of India (i.e. one at Mysore in Karnataka and the other at Salboni in West Bengal); (iii) modernisation of Government of India Mints at Calcutta, Hyderabad and Mumbai; (iv) complete coinisation of Re. 1, Rs. 2 and Rs. 5 and diversion of spare capacity for printing higher denomination of notes; (v) import of printed notes to the extent of 3600 million pieces (of a total face value of Rs. 1,00,000 crores) and 1000 million pieces of coins (of a total face value of Rs. 130 crores) as a one-time measure; (vi) reorganisation of production activities of India Security Press at Nashik and Security Printing Press, Hyderabad, for augmenting printing capacity of stamp papers and (vii) going in for procurement of one new Grapha machine for printing NJ stamps.

(e) Details of on-going projects are as under:

Name of Project	Estimated cost	Expected date of completion	Annual production capacity	
			Exist- ing	After moderni- sation
(in million pieces)				
Modernisation of Currency Note Press, Nashik.	Rs. 372.33 crores.	Dec. 1998	4000	5400
Modernisation of Bank Note Press, Dewas.	Rs. 163.69 crores.	Sept. 1997	1875	2904
Modernisation of mints at:				
Calcutta	Rs. 104.56 cr	Dec. 1997	750	1000
Mumbai	Rs. 114.23 cr	March 1998	750	1000
Hyderabad	Rs. 130.01 cr	Dec. 1997	400	700
Setting up two note printing Presses under RBI	Rs. 1500 crores	Dec. 1999	-	9950
Reorganisation of NJ stamp printing capacity.	Nil	Dec. 1998	-	400

[Translation]

### **Simplification of Income Tax Laws**

\*54. SHRI SATYA DEO SINGH:

SHRI ANAND RATNA MAURYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to simplify and rationalise the income tax related laws;

(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 FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes Sir. The Government had set up an Expert Group in August, 1996 with a view to simplifying and rationalising the Income-tax Act, 1961 and to rewrite a new Direct Tax Law. The Group submitted its report to the Government in February, 1997 and a draft Bill based on the recommendations of the Group is under preparation.

(c) The new Bill is likely to be introduced in the Parliament in the Winter Session later this year.

[English]

### **Indo-Bangladesh Bilateral Trade**

\*55. DR. ARUN KUMAR SARMA: Will the Minister of COMMERCE be pleased to state:

(a) the areas in which the Indo-Bangladesh trade has been established so far;

(b) whether the Government propose to expand Indo-Bangladesh bilateral trade;

(c) If so, the details of the plan drawn up and the bilateral trade expanded in the coming years;

(d) whether the Government have entered into any agreement with the Government of Bangladesh for opening of the Chittagong port for transit of Indian goods;

(e) If so, the details thereof and the time by which the port is likely to be opened for Indian goods; and

(f) If not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (f) India-Bangladesh bilateral trade is conducted under the provisions of Trade Agreement between the two countries. The major items currently being exported from India to Bangladesh include Cotton yarn, fabrics and made-ups, transport equipment, machinery & instruments, rice (other than Basmati), primary & semi finished Iron & steel, ores & minerals, rubber products, electronic goods, drugs, pharmaceuticals and fine chemicals. The major items imported from Bangladesh include fertilizers (manufactured), raw jute, inorganic chemicals and leather.

Government have taken several steps to improve trade with Bangladesh. The India-Bangladesh Trade Agreement provides Most Favoured Nation (MFN) status to each other. Under the SAARC Preferential Trading Arrangement (SAPTA) Agreement, India has so far provided tariff concessions on 572 tariff lines to Bangladesh, which includes automobile batteries, cosmetic & toiletries, dyes, paints & varnishes, tableware, kitchenware etc. and received tariff concessions in respect of 209 tariff lines from Bangladesh for products like coconut oil, pepper, oil cake, leather, tools etc. Removal of quantitative limits on a large number of products under SAPTA Agreement and the proposed setting up of a Free Trade Area in the SAARC region by 2001 AD will further serve to expand Indo-Bangladesh bilateral trade.

The question of transit facilities through Bangladesh has been raised on many occasions with the Government of Bangladesh. At present, India has transit facilities only through inland waterways in accordance with a Protocol on Inland Water Transit & Trade. Government of Bangladesh have so far not agreed to further facilities including use of Chittagong Port for transit of Indian goods.

[Translation]

### **Pilferage of coal**

\*56. SHRI VISHVESHWAR BHAGAT: Will the Minister of COAL be pleased to state:

(a) whether the Coal India Limited suffers a loss of crores of rupees each year due to pilferage of coal from various coal mines;

(b) whether 12 to 13 thousand regular mine workers are not being utilised for mining work in various mines instead the mining work is being carried out on the contract basis for the benefit of vested interests in connivance with coal mafia;

(c) If so, whether the Government propose to order C.B.I. to probe into the role of labour organisations, patronage of politicians the nexus between the Coal India officers and Coal mafia;

(d) If so, the time by which the C.B.I. probe is likely to be ordered; and

(e) If not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) It is not possible to know the details of pilferage of coal taking place as such operations are clandestine. However, as per the raids carried out by security personnel, as well as through joint raids with state law and order authorities, the value of coal recovered is around Rs. 1 Crore each year;

(b) No, Sir. Contractors' workmen are not being engaged keeping company's regular workmen idle.

(c) to (e) Do not arise.

*[English]***Fraud in Banks**

\*57. DR. MURLI MANOHAR JOSHI: Will the Minister of FINANCE be pleased to refer to the answer given to Starred Question No. 422 dated December 20, 1996 and state:

(a) the organisational set up of the vigilance machinery in the State Bank of India and the number of cases of corruption, dishonesty and assets disproportionate to known income investigated by the Vigilance Department during 1995-96;

(b) the number of officers (Grade-wise) involved in such cases;

(c) the number of complaints received for corruption, dishonesty and fraud in 1995 and 1996 and action taken thereon;

(d) whether the vigilance section initiated any action suo moto against the staff suspected to be dishonest and corrupt;

(e) if so, the details thereof;

(f) whether the State Bank of India have made any review of the functioning of powers of the vigilance section under their control; and

(g) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Vigilance Department at apex level in the State Bank of India (SBI) is headed by Chief Vigilance Officer (CVO), in the rank of Chief General Manager. He is assisted by two Deputy General Managers and other officers of the rank of Assistant General Manager/Chief Manager. At the local head offices, the Vigilance Department is headed by Deputy General Manager and after initial process of the vigilance cases relating to officers of the concerned Circle a reference is made to the Central Office.

During the year 1995-96, investigations from vigilance angle were carried out in 658 cases which inter alia includes frauds committed by the officials, irregular sanction of advances in violation of laid down procedures, pecuniary benefits obtained by the officials and knowingly allowing pecuniary gains to the outsiders at the cost of the bank.

(b) Vigilance disciplinary proceedings were initiated against 648 officers during the year 1995-96 and the grade-wise position is as under:

Junior Management Grade	182
Middle Management Grade	349
Senior Management Grade	89
Top Executive Grade	28
Total	648

(c) During the years 1995-96 and 96-97, 1421 complaints were received. During the same period disciplinary proceedings were completed and various penalties imposed on 1314 officers.

(d) and (e) According to SBI the Vigilance Department in SBI takes steps to ensure that a close watch is maintained to weed out the dishonest and corrupt from the system. These steps include maintaining an agreed list of officers suspected to be dishonest, scrutiny of statements of assets and liabilities submitted by the officers and carrying out spot audit, inspection and investigation whenever any irregularity is detected.

(f) and (g) The functioning of the vigilance department is reviewed by the Board of Directors of State Bank of India at half-yearly intervals. The powers of the disciplinary authorities are also reviewed by the bank from time to time. The pending vigilance disciplinary cases are also reviewed by the bank from time to time. The pending vigilance disciplinary cases are also reviewed at the local head offices by the Circle Management Committee headed by the Chief General Manager and at the Apex Level, by a Committee headed by the Managing Director of the bank.

**Longwall Mining Projects**

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

(a) the number of Longwall Mining Projects of Coal India Ltd;

(b) the annual production capacity thereof;

(c) whether production of coal is taking place as per their capacity;

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

(e) the details of new Longwall Mining projects proposed to be set up during 1997-98?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) At present 10 longwall powered support faces with a total annual rated capacity of 4.90 million tonnes (61356 TPD) are operating in four projects of Coal India Limited (CIL).

(c) and (d) It is a fact that performance of longwall powered support faces is not as was originally envisaged. The factors responsible for poor performance of longwall faces are as under:-

(i) When the longwall technology was introduced in CIL projects, imported longwall powered support equipment, mainly from U.K. sources, were procured and installed. Absorbing any new technology transfer takes time. Assimilation of new technology and the learning process was a factor affecting performance of the longwall faces.

(ii) Complexity of the geo-mining conditions having

small faults and igneous intrusions particularly in BCCL contributed to the poor performance of the longwall faces.

- (iii) To obtain effective utilisation of sophisticated equipment like longwall powered support face, timely supply of spares is important. Due to earlier import restriction, DGTD clearance, foreign exchange release etc., there were delays in importing spares from other countries.
- (iv) Developing the indigenous sources capable of supplying the required spares for longwall equipment has not been up to the desired level. Indegenisation was assigned mainly to the public sector undertakings like Jessop & MAMC. They had their own difficulties in meeting the requirements of spares of the longwall face equipment.
- (v) Earlier acute power problem in ECL and BCCL affected operation of these equipment very badly, giving rise to inadequate performance at initial stage of operation affecting the development of confidence building.
- (vi) Surplus manpower being available, existing manpower was utilised after training to man powered support faces. Imbibing the technology transfer is a difficult and time taking exercise.

(e) During 1997-98, longwall powered support faces are proposed to be set up in the following projects of CIL:-

Company	Project	Capacity of the Longwall face *(TPD)
(i) ECL	Satgram Underground	2000
(ii) SECL	Rajendra Underground	2350
(iii) SECL	Balrampur Underground	1950

\*Tonnes per day.

[English]

#### **Tarapore Panel**

\*59. SHRI SULTAN SALAHUDDIN OWAISI:

SHRI CHITTA BASU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Tarapore Panel has favoured full convertibility of rupee on capital account by 1999-2000;
- (b) If so, the details thereof and other recommendations of the panel;
- (c) whether the Government have accepted all the recommendations of the panel;
- (d) If so, the details thereof; and

(e) if not, the time by which these recommendations are likely to be implemented?

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

(b) Based on an assessment of macroeconomic conditions, the Committee is of the considered view that the time now is opportune to initiate a move towards capital account convertibility. The Committee, however, recognises that the initial conditions do contain certain weaknesses and the entrenchment of preconditions can be achieved in the Indian context only over a period of time. The establishment of the preconditions need to be viewed as processes rather than as one time indicators. The Committee, therefore, recommended that the implementation of capital account convertibility by spread over a three years period 1997-98 to 1999-2000.

(c) to (e) The recommendations of the Committee are being examined by the Government and the Reserve Bank of India, and a decision on the acceptance/implementation of the recommendations will be taken as soon as the process of examination of the Report is complete.

#### **Regional Private Bank**

\*60. SHRI T. GOVINDAN: Will the Minister of FINANCE be pleased to state:

(a) whether any proposal is under consideration of the Union Government to grant permission to start Regional Private Bank and whether the Government are aware of the opposition by the employees and the unions of various banks to such move;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Presumably, the Hon'ble Member of Parliament is referring to the setting up of Local Area Banks in the private sector. With a view to providing an institutional mechanism for promoting rural savings as well as for the provision of credit for viable economic activities in the rural areas, it has been decided to allow establishment of Local Area Banks (LABs) in the private sector. This is expected to bridge the gap in the credit availability and enhance the institutional credit framework in the rural and semi urban areas.

The establishment of LABs in the private sector has been opposed by certain unions of the bank employees. It is, inter alia, their view that setting up such banks will adversely affect the Regional Rural Banks (RRBs), public sector banks and private sector banks.

(c) The issue raised by the unions of bank employees have been examined in consultation with the Reserve Bank of India (RBI). Primarily, setting up of LABs in the private sector is for the purpose of catering to the credit needs of the local people and aims at providing efficient and competitive financial intermediation services in their

area of operation. Further, these banks are district based with low capital structure and their operations are predominantly confined to rural and semi urban areas. They are not comparable to public sector banks in terms of branch net work and business prospects in aggregate terms. The RBI has reported that LABs will be allowed selectively taking into consideration inter-alia the potential of the districts, promoters strength/capability and good track record. LABs will complement the efforts of cooperatives and other rural credit agencies in improving the rural credit delivery structure.

#### Hindustan Machine Tools

445. SHRI SURESH PRABHU: Will the Minister of INDUSTRY be pleased to state:

(a) whether Hindustan Machine Tools (HMT) has been threatened to be placed on the watch list by the United States of America;

(b) if so, the reasons for such threats; and

(c) whether the Government likely to take up the matter with the U.S. Government?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Hindustan Machine Tools (HMT) is not aware of any threat to place it on the watch list by the United States of America.

#### Pending Power Projects under FIPB

446. SHRI KRISHAN LAL SHARMA: Will the Minister of INDUSTRY be pleased to state:

(a) whether 35 major power projects are pending for review before Foreign Investment Promotion Board;

(b) if so, the details thereof alongwith the date since pending;

(c) the number of projects cleared by the Board so far; and

(d) the time by which the remaining projects are likely to be cleared by the Board?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) So far, 72 proposals in Power Sector have been approved.

(d) An on 17.7.1997, 6 proposals in the Power Sector are pending consideration of Foreign Investment Promotion Board (FIPB). Consideration and recommendation of proposals by FIPB is an ongoing process.

[Translation]

#### Gujarat Companies under MRTAP Act

447. SHRI MAHESH KUMAR M. KANODIA: Will the Minister of FINANCE be pleased to state:

(a) whether some Gujarat based companies are facing investigation by the Monopolies and Restrictive

Trade Practices Commission for the charges of false and misleading advertisements;

(b) if so, the findings thereof; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) information with regard to investigations, enquiries or compensation matters is not maintained state-wise in the MRTAP Commission. As such, the information sought in respect of Gujarat based companies facing investigation before the MRTAP Commission for the charges of false and misleading advertisements is not readily available. However, a complaint was recently received in the MRTAP Commission from the National Consumer Protection Council, Ahmedabad against Madhur Food Products Limited, Ahmedabad alleging false and misleading advertisements. The matter was heard by the Commission on 22.7.1997 and it is now listed on 4.9.1997 for consideration of Injunction Application.

The MRTAP Commission is a quasi-judicial body and will take necessary action in the aforesaid matter under the provisions of the MRTAP Act, 1969.

[English]

#### Legal Aid to Poor

448. SHRI PARASRAM BHARDWAJ: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the amount allotted to Madhya Pradesh under Legal Aid Scheme to the poor people during each of the last three years; and

(b) the steps taken to streamline this arrangement and to ensure that the needy poor people get the aid in time?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) The grants-in-aid released to the State of Madhya Pradesh during the last three financial years are as under:-

S.No. Financial year	Grant-in-aid released (Rs.)
1. 1994-95	1,15,000
2. 1995-96	1,15,000
3. 1996-97	4,70,000

(b) The National Legal Services Authority sanctions grant-in-aid to State Legal Aid & Advice Boards/State Legal Services Authorities for Implementation of strategic Legal Aid programmes. The Legal Aid is provided by the State Legal Aid & Advice Board.

**Infrastructure Fund**

449. DR. T. SUBBARAMI REDDY:

SHRIMATI LAKSHMI PANABAKA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government of Andhra Pradesh has asked the Union Government to contribute in the State's Infrastructure Initiation fund with the corpus of Rs. 25 crores;

(b) if so, whether the Union Government have agreed to encourage such type of creation of funds for giving better results in respect of expansion of industrial bases; and

(c) if so, whether other States have also been asked to formulate such fund?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No such request has been received in the Ministry of Industry so far.

(b) Does not arise.

(c) Does not arise.

**Instrumentation Ltd., Palakkad**

450. SHRI A. SAMPATH: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Palakkad Unit of Instrumentation Limited is a profit making unit unlike the mother unit in Rajasthan;

(b) if so, the details thereof;

(c) whether the Workers Union of Palakkad Unit have been demanding bifurcation of the company from the loss making mother unit and to release withheld benefit to the employees of Palakkad Unit from 1982 onwards;

(d) if so, the details thereof;

(e) whether the Government are considering to concede the demand made by the employees of Palakkad Unit of Instrumentation Limited; and

(f) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Instrumentation Ltd. (IL) is a single company consisting of four manufacturing units of which Palghat is one. IL has been incurring losses. The Palghat Unit of IL as a profit centres has been making profits and its performance in the last few years has been as follows:-

Years	Profit (Rs. Cr.)
1994-95	3.79
1995-96	0.28
1996-97	2.50

(c) and (d) Palakkad Workers Union has been representing for separation of Palakkad Unit from IL and demanding from wage revision.

(e) and (f) As IL has been declared sick and the revival of IL as a whole is before BIFR, decisions regarding Palghat Unit can not be taken in isolation.

[Translation]

**Export of Animals**

451. VAIDYA DAU DAYAL JOSHI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that animals are exported from the country;

(b) if so, the names of the animals exported alongwith the countries to which such export has been made;

(c) the total foreign exchange earned therefrom; and

(d) the purpose for which these animals are used in these foreign countries?

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

(b) Buffaloes, goats, sheep, lambs and specified breeds of horses have been exported to Baharain, Bangladesh, France, Nepal, Sri Lanka and United Arab Emirates.

(c) the value of live animals exported during the last three years has been as under:-

Value: Rs. lakhs	
Year	Exports
1994-95	22.4
1995-96	49.6
1996-97	4.1
(April-October)	

(d) Under Export-Import Policy, the export of cattle, camel and horses of Kathiawari, Marwari and Manipuri breeds is allowed subject to export licences issued by the Directorate General of Foreign Trade in this behalf. The export of specified breeds of horses has been permitted for breeding purposes/for participation in racing events abroad. Export of buffaloes has been permitted for both breeding and milching purposes. As regards exports of goats and sheep, these are allowed freely to all permissible destinations subject to any other law for the time being in force.



**Heavy Industry**

452. SHRI KASHIRAM RANA:

SHRI MAHESH KUMAR M. KANODIA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal under consideration of the Government to set up any heavy industry under the public sector or private sector in the country, particularly in Gujarat with the assistance of World Bank or any other international organisations;

(b) if so, the budgetary allocations made for the said proposal and by when this is likely to be implemented; and

(c) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) In the liberalised regime, most of the industries are delicensed and no permission from Government of India is necessary to set up these industries. Since August 1991 till 30th June, 1997, 374 Letters of Intent have been issued and 4483 Industrial Entrepreneurs Memoranda have been filed for locating industries in Gujarat. However, the investment intentions do not indicate whether any assistance would be taken from World Bank or any other international organisation.

(b) and (c) Do not arise.

[English]

**Textiles Exports**

453. SHRI VIJAY GOEL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have studied and identified the major problems faced by the textile industry in its exports;

(b) if so, the details thereof;

(c) the extent upto what the exports of Indian Textiles are likely to be adversely affected after the transfer of Hong Kong to China; and

(d) the manner in which the Government propose to meet the challenge of new rules and import curbs imposed by rich nations and to help the textile industry to increase its exports?

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

(a) and (b) Government have been in constant touch with the textile export industry and have been taking all possible steps to resolve the problems.

(c) The exports of our textile products are not likely to be adversely affected after the transfer of Hong Kong to China, at present.

(d) The challenge of new rules and import curbs imposed by rich nations are met by mutual consultations

or through the organisations of the WTO. However, in order to boost the exports of garments, Government have been taking a number of steps, which include encouraging exporters to participate in buyer-seller meets; fairs and exhibitions; enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export production; ensuring increased availability of export credit etc.

**NBFCs in Bihar**

454. 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 "RBI unaware of illegally operating NBFCs in Bihar" appearing in the Financial Express dated June 30, 1997;

(b) if so, the facts of the matter and the reaction of the Government thereto; and

(c) the action taken/proposed to be taken in this regard in terms of Government's declared policy of regulating the operations of NBFCs to protect the interests of general public?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) and (c) Prior to the recent amendments to the RBI Act, non-banking financial companies did not require prior approval/registration with RBI before commencing/carrying on business. As per the recent amendment to RBI Act, it is necessary for a non-banking financial company to obtain a certificate of registration from RBI before commencing/carrying on the business of a NBFC. However, a non-banking financial company in existence on the commencement of the RBI (Amendment) Act is required to make an application for registration to RBI within six months i.e. upto 8th July, 1997. Such companies may carry on business of an NBFC till such time the rejection of its application for registration by RBI is communicated to it. According to RBI, 480 Companies which have been incorporated in Bihar have applied for registration with RBI by the stipulated period. Companies which continue business of a NBFC without a Certificate of Registration are liable for prosecution under Section 58(3) (4A) of RBI Act entailing an imprisonment of not less than a year and upto five years and fine which shall not be less than one lakh but not more than five lakhs.

[Translation]

**Vacant Posts of SCs/STs**

455. SHRI N.J. RATHWA: Will the Minister of COMMERCE be pleased to state:

(a) the number of appointments made in the departments/undertakings under his Ministry during the last three years and as on date, post-wise;

(b) the post-wise number of Scheduled Castes/ Scheduled Tribes applicants out of these;

(c) whether some posts reserved for Scheduled Castes/Scheduled Tribes in such departments/undertakings are lying vacant;

(d) If so, the post-wise details thereof;

(e) the steps taken/being taken by the Government to fill up these reserved posts; and

(f) by when all the reserved posts are likely to be filled up and the reasons for delay therein?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (f) Information is being collected and will be laid on the Table of the House.

#### **Interest on Income Tax**

456. SHRI SATYAJITSINH DULIPSINH GAEKWAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have issued any order in February, 1997 for charging interest on Income Tax from the salary of Government employees while deducting the same for the year 1996-97.

(b) If so, the details thereof; and

(c) If not, the steps being taken to refund the amount of interest on Income Tax from the salary of employees in some Government Departments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) Does not arise.

(c) No such instances have come to the notice of

the Department of Revenue.

[English]

#### **Colgate Palmolive Limited**

457. SHRI JAI PRAKASH (HARDOL): Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3634 dated December 20, 1995 regarding Colgate Palmolive Limited and state;

(a) the progress made in the disposal of the cases listed in the annexure to the above stated reply;

(b) the steps taken for early disposal of the cases by eliminating delaying tactics; and

(c) the steps taken to strengthen the MRTP Commission to cut short the delay in the disposal of the cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) A statement indicating the present position of the cases of investigations/enquiries with the MRTP Commission in respect of M/s. Colgate Palmolive (India) Limited, M/s. Hindustan Lever Limited and M/s. Ponds India Limited for the year 1993, 1994 and 1995 listed in the annexure to the reply given to parts (a) & (b) of the Lok Sabha Unstarred Question No. 3634 dated 20.12.1995 is attached.

The aforesaid cases are at different stages of consideration with the MRTP Commission. The Commission is a quasi-judicial body and is required to follow the procedure laid down in the MRTP Act, 1969, the Regulations framed thereunder and the Code of Civil Procedure. The time involved in disposing of the enquiries depends upon the nature of pleadings, the number of witnesses to be examined and securing and providing of documents etc. As such the matters are sub-judice before the Commission and they are empowered to take further necessary action under the provision of the MRTP Act, 1969.

(c) The Government has administratively strengthened the Commission by increasing the sanctioned strength of its Members from three to five in addition to Chairman with a view to speed up the disposal of cases.

#### **Statement**

*Cases of Investigations/Enquiries with the MRTP Commission in respect of Colgate Palmolive (India) Ltd., Hindustan Lever Ltd. and Ponds India Ltd. for the Years 1993, 1994 and 1995 Yearwise*

Year	Sl. Enquiry No. No.	Name of the Respondent	Allegations	Present position
1	2	3	4	5
1993	1. RTPE 18/93	Hindustan Lever Ltd., Bombay	Selling of Shampoo in sachet packs at predatory prices to eliminate competition/competitors.	The matter is listed for evidence on 29.7.97.

1	2	3	4	5	6
	2. RTPE 45/93	-do-		Merger/Amalgamation of H.L.L. with TOMCO.	Matter is under consideration of the Court.
	3. MTPE 1/93	-do-		Merger/Amalgamation of H.L.L. with TOMCO.	-do-
1994	1. RTPE 22/94	-do-		Indulging in restrictive trade prac- tice relating discriminatory sales promotion schemes for selling their products to dealers vis-a- vis Super Bazar, Kendriya Bhan- dar and Canteen Stores Deptt.	Next date of hearing is 21.10.97 to consider adequacy of replies.
	2. RTPE 23/94	Colgate Plamolive India Ltd., Bombay	-do-		The matter is listed for evidence on 1.10.97
	3. RTPE 24/94	Ponds India Ltd., Bombay	-do-		Next date of hearing is 21.10.97 to consider adequacy of replies
	4. RTPE 89/94	Hindustan Lever Ltd., Bombay	Merger/Amalgamation of Hindustan Lever Ltd., with TOMCO		The matter is under consideration of MRTP Commission.
	5. RTPE 98/94	-do-	-do-		-do-
1995	1. RTPE 178/95	Hindustan Lever Ltd., Bombay	Discriminatory supplies to stoc- kists		Notice of Enquiry issued, Listed for further consideration on 2.9.97.
	2. RTPE 247/95	-do-	Predatory pricing of O.K. Soap.		PIR awaited from DG (I&R).
	3. RTPE 295/95	Colgate Palmolive India Ltd., Bombay	The restrictive and monopolistic trade practices in the matter of production and pricing of per- sonal care items.		Notice of Enquiry issued. List- ed for further consideration on 14.8.97
	4. RTPE 296/95	Ponds (India) Ltd., Bombay	-do-		-do-
	5. UTPE 91/95	Colgate Palmolive India Ltd., Bombay	Disparaging advertisements		The matter is listed for evidence on 17.9.97.

#### **Madras High Court Bench**

458. SHRI A.G.S. RAM BABU: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether Jaswant Singh Commission has recom-  
mended for setting up of the Madras High Court Bench  
at Madurai;

(b) whether there is undue delay in setting up of  
such Bench at Madurai; and

(c) if so, the time by which this is likely to be set  
up?

THE MINISTER OF STATE OF THE MINISTRY OF  
LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a)  
to (c) The Jaswant Singh Commission recommended  
establishment of a circuit Bench of the Madras High Court  
at Madurai. It further recommended that the position should  
be reviewed after a period of five years and, if it is  
considered necessary, the Circuit Bench may be converted  
into a permanent Bench. The Commission also prescribed  
conditions relating to infrastructure, library, staff, funds etc.  
to be fulfilled before setting up of the Bench.

The High Court in its full Court meeting on 31.8.95  
resolved in principle, to establish a Circuit Bench of the  
High Court at Madurai on the fulfillment of certain conditions

relating to infrastructure etc. The State Government have not so far reported fulfilment of the conditions.

It is not practicable to indicate the time by which the Bench would be set up.

#### **Revival of PSUs in West Bengal**

459. SHRI HARADHAN ROY: Will the Minister of INDUSTRY be pleased to state:

(a) the names of the public sector units in West Bengal for whom representations/memorandum have been received from the State Government, MPs, M.L.As, Trade Unions and officers associations, etc. for revival including modernisation and diversification, etc; and

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

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Representations/Memoranda received from specific State Governments, individuals, Associations, Trade Unions for revival, modernisation and diversification etc. are not consolidated by any single agency either State-wise or Union Territorywise. However, in respect of Central PSUs situated in different States/Union Territories enterprise, specific revival, modernisation etc. measures are taken by the administrative Ministries either suo-moto or on the basis of representations and suggestions received from various quarters.

#### **Gold Import Through Calicut Airport**

460. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) the airport through which the maximum quantity of gold has been imported into our country after the Relaxation Policy of gold import by the Government; and

(b) the quantum and value of gold thus imported through Calicut Airport?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Maximum quantity of gold has been imported into our country through Mumbai Airport after the relaxation policy of gold import by the Government.

(b) 51.282 MT of gold valued at Rs. 2458.18 Crores has been imported upto 30.6.1997 through Calicut Airport after relaxation in Gold Import Policy was introduced on 1.1.1997.

#### **Export of Basmati Rice to USA**

461. SHRI SANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether in the first-ever victory of the kind India has won an international law suit against US Commodity trading firm Rice Tec. Inc. against basmati clones;

(b) if so, the facts of the matter as per his Ministry's information; and

(c) how far it will improve India's export of basmati rice to USA and other foreign countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) M/s. Rice Tec Inc. USA had filed an application for registration of brand name of Kasmati, Texmati, Jasmati for rice in Greece. These names were deceptively similar to basmati rice. APEDA had filed an opposition against registration of these brand names in the competent court in Greece. The trade mark administrative committee in Athens has rejected the application of M/s. Rice Tec Inc. USA for registration of trade marks Texmati, Jasmati and Kasmati.

(c) The rejection of application for registration of brand names similar to Basmati rice will help in retaining the exclusive identity of "Basmati" in the international markets.

#### **Corruption Complaints Against Assurance Companies**

462. DR. RAMESH CHAND TOMAR: Will the Minister of FINANCE be pleased to state:

(a) whether a number of complaints have been received from various quarters including the Employees Unions against corruption in some of the Divisional Offices of New India Assurance Co. Ltd. in Delhi during the last two years;

(b) if so, the details thereof and the action taken/proposed to be taken thereon;

(c) the number of officials charge-sheeted by C.B.I. and the Vigilance Cell of the company at Delhi during the last three years;

(d) whether some of the charge-sheets issued during the last three years were served on the concerned officials recently;

(e) if so, the details thereof and the reasons therefor; and

(f) the action taken or proposed to be taken against the officers for not serving the charge-sheets to the concerned officials immediately after its issuance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) There were 22 complaints received during the last 2 years pertaining to some of the Divisional Offices in Delhi and they were investigated by the Vigilance Officers posted at Delhi R.O. I & II. Based on the investigation carried out, 12 cases were closed and disciplinary action was taken in the remaining 10 cases.

(c) There were no charge-sheets made by CBI in respect of officials at Delhi. But the Vigilance Cell of the Company at Delhi have issued 18 charge-sheets to various officials.

(d) Yes, Sir.

(e) A charge-sheet was issued against one Administrative Officer working in a City Divisional Unit of Delhi R.O.I on 13.2.1995 under the signature of competent authority. The said charge-sheet was served to the concerned officer on 27.3.1997.

(f) The insurance company is examining the matter.

[Translation]

#### Textile Industry in Delhi

463. SHRI JAI PRAKASH AGARWAL: Will the Minister of TEXTILES be pleased to state:

(a) the place of Delhi in Textile industry in the country;

(b) the present number of units in Delhi which are producing handloom, powerloom, synthetic yarn, readymade garments and hosiery, location-wise;

(c) the amount spent by the Government for the development of textile industry in Delhi during the last three years, year-wise; and

(d) the steps taken by the Government to promote export textiles produced by the said units?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The place of Delhi in organised textile industry in the country in terms of number of Cotton/Man-made fibre textile mills and production capacity is 18th.

(b) The number of units producing handlooms, powerlooms located in Delhi is given below:

	No. of units
1. Handloom units	9,000
	(As per H/L census 1987-88)
2. Powerloom units	1,102
(Registered)	(As on 30-9-1996)
3. Synthetic Yarn	None

The details of ready made garment and hosiery units are not maintained.

(c) No state-wise allocation is made for Development of Textiles Industry. Allocation are made sector-wise like Handloom, Powerloom etc.

(d) The Government of India have taken several steps to promote Export of Textiles produced in the country, which were also applicable to Textile produced in Delhi. These steps include encouraging exporters to participate in Buyer-Seller meets, participation in fairs and exhibitions in major markets; enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export

production; releasing advertisements in foreign trade magazines; products development and quality upgradation through appropriate training programmes; ensuring increased availability of export credit etc.

[English]

#### Denotification of Units

464. SHRI P.R. DASMUNSI: Will the Minister of INDUSTRY be pleased to state:

(a) the list of units which got denotified for the last 12 years by his Ministry;

(b) the number out of these had been referred to BIFR;

(c) the total number of workmen involved in those units on the date of denotification; and

(d) the policy of the Government to protect the workers?

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

#### Separate High Courts for North-Eastern States

465. SHRI BADAL CHOUDHURY: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether there is any plan to set up separate High Courts for each of the North Eastern States;

(b) if so, the details thereof;

(c) whether the Government of Tripura has submitted any proposal for establishing a full fledged High Court in the State; and

(d) if so, the steps taken so far to sanction the said proposal?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) and (b) It was agreed, in principle, that there should be separate High Courts for the States in the North-Eastern region, and pending Parliamentary legislation for the purpose, permanent Benches of the Gauhati High Court be established in the Capitals of these States.

(c) and (d) The Government of Tripura have not sent a proposal for establishing a separate High Court for the State after the permanent High Court Bench was established at Agartala with effect from 16.5.92.

#### Bank Branches in Karnataka

466. SHRI VIJAY SANKESHWAR: Will the Minister of FINANCE be pleased to state:

(a) whether target fixed for opening the branches of different commercial banks, co-operative banks, in Karnataka during Eighth Five Year Plan, Bank-wise has been achieved;

(b) If so, the details thereof; and

(c) the details of the Co-operative and Commercial Bank branches proposed to be opened during 1997-98, Bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI) have reported that for the period 1990-95, there was no need for evolving any branch expansion programme with targets like population coverage per bank office as was done in the past, in view of the growth in branch network in the country and decline in the average population per bank office (APPBO) in rural and semi-urban areas to 13000 by the end of 1985-90 period.

Under the extant branch licensing policy of RBI, it is left to the judgement of individual banks to assess the need for opening additional bank branches within their service areas. The banks proposals for opening branches at rural centres are to be submitted to RBI through the concerned State Governments. A regards semi-urban centres, a specific quota is allotted to each bank, depending on the size of the bank, for opening branches and proposals are considered by RBI on merits of each case. In respect of urban/metropolitan centres, identified localities are allotted to various banks for opening branches. Such proposals are also considered by RBI on merits of each case. RBI have also given freedom to Indian commercial banks which fulfil certain stipulated criteria for opening branches without prior approval of RBI on case to case basis.

The details of authorisations issued to various banks for opening branches at different centres in Karnataka where banks have yet to open their branches, as reported by RBI, are given in the attached statement. RBI have also reported that no proposal for opening of branches of Karnataka State Cooperative Bank Ltd. is received during the year 1997-98 so far.

#### Statement

*Number of Authorisations/Licences issued during the period 1.4.95 to 30.6.97 to Commercial Banks for opening Branches at Different Centres in the State of Karnataka and which are yet to open*

Name of Bank	Number of Authorisations/Licences
1	2
1. Bank of India	7
2. Bank of Maharashtra	2
3. Canara Bank	19
4. Corporation Bank	7
5. Indian Bank	2
6. Oriental Bank of Commerce	4

1	2
7. Punjab National Bank	4
8. Syndicate Bank	1
9. State Bank of India	6
10. State Bank of Mysore	18
11. State Bank of Hyderabad	2
12. State Bank of Travancore	1
13. Vijaya Bank	2
14. Union Bank of India	8
15. Times Bank Ltd.	1
16. Federal Bank Ltd.	1
17. UTI Bank Ltd.	1
18. Global Trust Bank	1
19. Centurian Bank Ltd.	1
20. Bank of Punjab	1
21. South Indian Bank	1
22. Sangali Bank Ltd.	1
23. Bijapur Gramin Bank	4
24. Karnataka Bank	3
25. Lord Krishna Bank	1
26. Vysya Bank Ltd.	1
27. Karur Vysya Bank	2

#### Readymade Garment Industry

467. SHRI G.A. CHARAN REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether the Textiles Minister has urged the Government of Andhra Pradesh to promote entrepreneurship for the growth of readymade garment industries in the State; and

(b) if so, to what extent Andhra Pradesh has agreed to promote readymade garments industries in the State?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) Government has been taking a number of measures for promoting entrepreneurship for growth of readymade garment industry in the country, including Andhra Pradesh. The State Government of Andhra Pradesh has come up with various schemes for the promotion of readymade garment industry in the State, which include announcement for setting up an Apparel Park, allotment of land for development of Apparel Training and Design Centre; allotment of land for the branch of National Institute of Fashion Technology etc.

[Translation]

### **Development of Handloom Industry**

468. SHRI ASHOK PRADHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether there are sufficient opportunities for the development of textile handloom industry in Uttar Pradesh; and

(b) if so, the steps taken by the Government to find out the possibilities for development of handloom industry in Uttar Pradesh and the details of the assistance likely to be provided to it?

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

(a) Yes, Sir.

(b) The assessment of technical and financial requirements for development of handloom sector is a continuous process, which is done by the Government in consultation with the concerned State Government, its participating handloom agencies and the Weavers' Service Centres. On the basis of viable project proposals received from the Government of Uttar Pradesh, a total sum of Rs. 115.55 Crores was sanctioned during VIIIth Plan period under various Schemes for development of handloom sector and welfare of weavers. The State Governments, including Uttar Pradesh have been advised to send adequate number of proposals for central assistance under various schemes during the current financial year.

### **Oil from Coal**

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

(a) whether there is any proposal under consideration of the Government to make oil from coal; and

(b) if so, the details of the progress made so far in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) No, Sir.

(b) Does not arise in view of reply to part (a) above.

[English]

### **Khadi and Village Industries Commission**

470. PROF. JITENDRA NATH DAS: Will the Minister of INDUSTRY be pleased to state:

(a) the number of Khadi and Village Industries exist in the country;

(b) whether the Government have any monitoring system for these industries; and

(c) if so, details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) At present 30 State KVI Boards, 4500 registered institutions, 30,080 cooperatives, 7,20,000 indi-

vidual units, 170 Departmental units and 15,180 sales outlets are engaged in the production and sale of Khadi and village industries in the country.

(b) Yes, Sir.

(c) The performance of the Khadi and Village Industries are monitored by Khadi and Village Industries Commission (KVIC) during the annual budget discussions held with the representatives of the implementing agencies and State Khadi and Village Industry Boards. Government also reviews the performance of these industries periodically by arranging conferences/meetings with the participation of State Industry Ministers and Secretaries, representatives from the State KVI Boards and Bankers.

### **Strike in SBI Mumbai**

471. SHRI RAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether the officers of the State Bank of India Mumbai went on strike from 12th June, 1997;

(b) if so, the reasons therefor;

(c) the efforts made by the Government and other authorities to end the strike and the result thereof; and

(d) the action taken/proposed to be taken to avoid such type of strike?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, Sir. The Strike was called following suspension of three officers of the State Bank of India (SBI) in the context of certain alleged irregularities committed by them relating to the accounts of M/s CRB Capital Markets Ltd., which were brought out by a preliminary inquiry conducted by a senior officer of the bank. The irregularities in the account of M/s CRB Capital Markets Ltd., inter alia, included fraudulent overdrawal from its accounts with the SBI, Mumbai Main Branch for payment of interest warrants, deposit refunds and brokerage warrants, by an amount of over Rs. 58 crores.

(c) and (d) SBI has reported that strike was called off on the basis of an understanding reached on 18th June, 1997 between the management and the All India State Bank Officers Federation. Government view has been that while there should not be any harassment of innocent persons at the same time, officers involved in serious wrong doings should be severely dealt with in an expeditious manner.

### **Writing off Bad-debt**

472. SHRI B.L. SHANKAR: Will the Minister of FINANCE be pleased to state:

(a) the amount of bad-debt declared and written off by the RBI during 1994-95, 1995-96 and 1996-97 upto 31.3.97;

(b) the details of the persons/parties/companies etc.

whose borrowing have been declared as bad-debt;

(c) the reasons in regard to part (a) & (b); and

(d) the steps taken or proposed to be taken by the Government to end the declaration of the system of bad-debt by RBI and other banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Reserve Bank of India (RBI) have reported that they have not declared or written off any bad debt during 1994-95, 1995-96 and 1996-97 upto 31.3.97. However, the bad debts written off by public sector banks during the last two years, i.e. 1994-95 and 1995-96 are given in the attached statement.

(b) As per the practices and usages customary amongst banks, the details of persons/parties/companies etc. whose borrowings had been declared as bad debts cannot be disclosed.

(c) Reasons for write off of bad debts by banks are generally as under:

(i) The loans are outstanding for a considerably long period

(ii) The prospect for recovery are remote

(iii) No tangible/realisable securities available to recover the debt

(iv) Legal action takes unduly long period

(d) RBI grants loans and advances to banks, financial institutions, Central and State Governments in its capacity as banker to these bodies. The bank has not declared or written off as bad any loans to these bodies.

In so far as banks are concerned, RBI have advised them to have documents of loan policy and loan recovery policy prepared and duly vetted by their Boards of Directors. This loan recovery policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted waiver/sacrifice, factors to be taken into account before considering waivers, and monitoring of write-off/waiver cases, etc. All these measures have shown positive results for reduction of bad debts.

#### Statement

*Bad debts written off by the Public Sector Banks during the last two years*

Sr. No.	Name of the Bank	(Amount in crores)	
		1994-95	1995-96
1	2	3	4
<b>A.</b>	<b>State Bank Group</b>		
1.	State Bank of India	363.72	398.69
2.	State Bank of Bikaner & Jaipur	39.25	24.98
3.	State Bank of Hyderabad	27.89	15.85
4.	State Bank of Indore	32.93	6.04
5.	State Bank of Mysore	50.61	5.72
6.	State Bank of Patiala	19.74	4.93
7.	State Bank of Saurashtra	18.95	4.02
8.	State Bank of Travancore	4.17	28.96
<b>B.</b>	<b>Nationalised Banks</b>		
9.	Allahabad Bank	55.73	6.71
10.	Andhra Bank	38.78	1.95
11.	Bank of Baroda	270.27	46.42
12.	Bank of India	260.38	307.08
13.	Bank of Maharashtra	81.12	56.52
14.	Canara Bank	200.00	169.49



1	2	3	4
15.	Central Bank of India	144.12	138.44
16.	Corporation Bank	18.64	19.13
17.	Dena Bank	27.34	51.92
18.	Indian Bank	42.51	115.94
19.	Indian Overseas Bank	5.94	75.01
20.	Oriental Bank of Commerce	2.13	0.82
21.	Punjab National Bank	220.77	53.14
22.	Punjab & Sind Bank	1.70	2.86
23.	Syndicate Bank	24.84	8.03
24.	Union Bank of India	27.86	38.81
25.	UCO Bank	165.07	110.98
26.	United Bank of India	119.00	36.51
27.	Vijaya Bank	4.19	13.26
		2267.65	1742.21

#### **Freight Subsidy on Fruit Exports**

473. SHRI R. SAMBASIVA RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to approve the proposal of Andhra Pradesh to introduce freight subsidy throughout the year on fruit export from the State;

(b) if so, whether the help from the export promoting agencies such as APEDA would be sought in improving fruit export from the State;

(c) if so, to whether State delegation visited Malaysia and Thailand to explore the potential of fruit and export from the State;

(d) if so, what extent the delegation achieved success in this regard; and

(e) the extent to which the fruit export is likely to be increased during 1997-98 from the State?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Government have already announced an Air Freight Subsidy scheme effective from 1/1/96 to 30/8/97 on exports of selected floricultural and horticultural products and vegetables. The subsidy is available for exports from all states including Andhra Pradesh.

(b) Agricultural & Processed Food Export Development Authority (APEDA) has identified Banganpalli and Totapuri mangoes to have good export potential from Andhra Pradesh. A small quantity of Banganpalli mangoes has also been exported on an experimental basis.

(c) and (d) A delegation from Andhra Pradesh under the leadership of Minister of Agriculture, Government of Andhra Pradesh participated in the mango promotion programme organised by the APEDA in Malaysia from 14-18 May '97. Some of the exporters who participated in the programme have got direct orders for supply of Banganpalli mangoes. Exports are expected to pick up further in future on account of such promotional effort.

(e) State-wise data is not maintained. However, APEDA has estimated that there would be 12% growth in quantity terms of export of mangoes from country as a whole in 1997-98.

#### **Subsequent Foreign Investment**

474. SHRI PRATAP SINGH SAINI: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government require the foreign investor to seek fresh approval for subsequent increase in the amount of foreign equity for investment in the activity already approved;

(b) if so, the reasons therefor; and

(c) the likely effect by adopting the above procedure in achieving the objective of attracting 10 billion foreign direct investment?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) No Government approval is required by the foreign investors for subsequent increase in foreign equity percentage upto 50%, 51% and 74% for the activities (whether existing or fresh) covered under high priority sectors listed in Annexure III, Part 'A', 'B' and 'C'

respectively of Press Note No. 2 (1997 Series) dated 17th January, 1997. However, increase in foreign equity level must result from expansion of the equity base of the existing company and the money to be remitted should be in foreign exchange. Such proposals are cleared by the RBI under the automatic approval route.

For increase in foreign equity for the activities outside the high priority sectors, Government approval is required.

(c) Further liberalisation and expansion of Annexure III for approval of foreign direct investment by RBI is aimed

at accelerating the foreign directed investment approvals and achieving the desired inflow of FDI.

#### Anti-Dumping Cases

475. SHRI AJOY MUKHOPADHYAY: Will the Minister of COMMERCE be pleased to state the names of the countries against whom the Government of India have anti-dumping cases and vice-versa; item-wise alongwith number of cases?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH):

#### Part-A

Names of the countries and products involved in anti-dumping investigations in India (including cases where final duties have been imposed, cases recommended for provisional duties and cases under investigation for provisional duties) are as below:

Country	Product	No. of cases
China	Potassium Permanganate, I-sobutyl Benzene 3, 4, 5 Trimethoxy Benaldehyde (TMBA) Theophylline Caffeine, Sodium Ferrocyanide, Dead Burnt magnesite (DBM), 8-Hydroxyquinoline, Graphite Electrodes, Vitamin-C, Magnesium	10
Brazil	PVC Resin, Bisphenol-A	2
Mexico	PVC Resin	1
South Korea	PVC Resin, Acrylonitrile Butadiene Rubber (NBR), Acrylic Fibre and PTA	4
Indonesia	PTA	1
Japan	Bisphenol-A, Acrylonitrile Butadiene Rubber (NBR), and Vitamin-C	3
Thailand	Acrylic Fibre, PTA	2
Russia	Bisphenol-A, Low Carbon Ferro Chrome (LCFC), and Newsprint	3
Kazakhstan	Low Carbon Ferrow Chrome (LCFC)	1
U.S.A.	Bisphenol-A, PVC Resin, Acrylic Fibre, Newsprint and Graphite Electrodes	5
Germany	Acrylonitrile Butadiene Rubber (NRR) and Graphite Electrodes	2
Denmark	Catalysts	1
Spain	Graphite Electrodes	1
Italy	Graphite Electrodes	1
Belgium	Graphite Electrodes	1
Austria	Graphite Electrodes	1

## Part-B

The names of countries which have on going anti-dumping investigations against Indian products and also imposed anti-dumping duties on Indian products, along with the names of the products are as under:-

Country	Product	No. of cases
Canada	Graphite	1
Brazil	Single Speed free wheels and Bicycle tyres	2
South Africa	Pharmaceutical drugs	1
Indonesia	Hot Rolled Coils/plates	1
USA	Stainless Steel Wire rods, Stainless Steel flanges, Sulphur Dyes (Negative injury) & Stainless bars	4
European Union	Polyethylene/Polypropylene Woven sacks, Unbleached Cotton Fabrics, Synthetic fibre ropes, Bed Linen, Potassium Permanganate	5

**Import of Automobile**

476. SHRI RANJIB BISWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to review and revise the policy with regard to the Import of Automobile; and

(b) If so, the steps taken to draft and announce the new Automobile Import policy?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Review of export and Import policy is an ongoing process and changes in it are made from time to time as and when considered necessary. At present there is no proposal to make any change in existing automobile import policy.

**Blackmarketing of Coins**

477. SHRI MANIBHAI RAMJIBHAI CHAUDHARI: Will the Minister of FINANCE be pleased to state:

(a) whether the blackmarketing of coins in Delhi and other parts of the country has been going on indiscriminately;

(b) If so, whether the Government have taken any steps to stop the blackmarketing of coins;

(c) If so, the details thereof; and

(d) If not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The Reserve Bank of India has taken the following steps to guard against blackmarketing of coins:-

(i) Security Officers restrict entry into the banking halls to about 50-60 persons at a time and ensure that they leave as soon as their work is over.

(ii) General public requiring small quantities are given preference during the first two hours i.e. from 10 A.M. to 12 noon.

(iii) Arrangements have been made to distribute coins from selected branches of public sector banks located in various parts of the country.

The India Govt. Mints are being modernised to increase the supply of coins to the public. The capacity will increase from 3900 million pieces to 4700 million pieces per annum. Government has also decided to import 700 million pieces of Re. 1 and 300 million pieces of Rs. 2 coins as a short-term measure to augment coins supply.

**Amount Disbursed by Banks/Financial Institutions**

478. SHRI N.N. KRISHNADAS: Will the Minister of FINANCE be pleased to state the amount of credit disbursed by public sector financial institutions like LIC, NABARD, Industrial Finance Corporation of India, IDBI, Industrial Credit and Investment Corporation of India to States during each of the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): As per information provided by the Industrial Development Bank of India (IDBI), the details of assistance disbursed by All India Financial Institutions (AIFIs)\* including investment institutions during the last three years State-wise are given in the attached statement.

\*AIFIs include: IDBI, Industrial Financial Corporation of India Limited, Industrial Credit & Investment Corporation of India Limited (ICICI), Small Industries Development Bank of India, Industrial Investment Bank of India, SCICI Limited (Since merged with ICICI), Risk Capital & Technology Finance Corporation Limited, Technology Development & Information Company of India Limited, Tourism Finance Corporation of India Limited, Life Insurance Corporation of India, United Trust of India and General Insurance Corporation of India.

**Statement**  
*State-wise assistance disbursed by AIFIs*

(Rs. crore)

Sr. No.	State	1994-95	Disbursements 1995-96 (April-March)	1996-97
1	2	3	4	5
1.	Andhra Pradesh	1802.4	2257.7	2372.2
2.	Arunachal Pradesh	3.1	2.5	0.9
3.	Assam	89.8	119.7	242.1
4.	Bihar	247.7	223.5	234.4
5.	Goa	208.1	116.3	105.8
6.	Gujarat	4102.5	4472.0	5723.5
7.	Haryana	559.4	858.6	1013.8
8.	Himachal Pradesh	477.9	258.1	335.6
9.	Jammu & Kashmir	12.2	22.8	17.8
10.	Karnataka	1602.2	2223.0	2418.8
11.	Kerala	280.3	343.3	581.4
12.	Madhya Pradesh	1367.0	1753.1	1667.9
13.	Maharashtra	7354.1	6510.4	7173.5
14.	Manipur	0.2	2.3	2.1
15.	Meghalaya	4.4	2.0	4.4
16.	Mizoram	0.1	0.4	0.9
17.	Nagaland	1.4	5.0	9.4
18.	Orissa	308.9	246.5	375.5
19.	Punjab	648.5	671.8	607.5
20.	Rajasthan	1370.4	1663.6	1391.8
21.	Sikkim	0.4	2.0	25.5
22.	Tamil Nadu	2565.6	3261.2	3203.2
23.	Tripura	1.1	3.4	4.7
24.	Uttar Pradesh	2040.7	2672.0	2902.4
25.	West Bengal	778.5	1015.8	1133.6
26.	National Capital Territory of Delhi	1326.6	1107.6	782.1
27.	Union Territories	256.3	380.2	434.2
	(a) Andaman & Nicobar	12.0	1.8	5.8
	(b) Daman & Diu	52.5	58.1	56.7
	(c) Dadra & Nagar Haveli	134.9	238.6	266.5
	(d) Chandigarh	20.0	20.3	44.7
	(e) Lakshadweep	-	-	-
	(f) Pondicherry	36.9	61.4	60.5
28.	Multi State/ Non-specific areas	3247.6	2367.2	2785.0
	<b>Total</b>	<b>30657.4</b>	<b>32562.0</b>	<b>35549.4</b>

**Export of Tea**

479. SHRI R.B. RAI: Will the Minister of COMMERCE be pleased to state:

(a) the quantity of tea from the tea gardens of Darjeeling Hills exported during each of the last three years, country-wise; and

(b) the amount of foreign exchange earned during the period from this export?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Tea is exported mainly in blended form, either in bulk or in packets. In this process, origin of tea is lost at the time of blending and hence export of tea by origin of production cannot be worked out. Though export is mainly in blended form, some quantity of pure Darjeeling teas also gets exported in its original form. Also no separate data by origin of tea exported is maintained by DGC&S.

However, according to the industry sources, around 80% of production of Darjeeling tea is exported every year. Darjeeling tea is exported generally to countries like Germany Japan, UK etc.

**IMF Findings of Per Capita Income Gap**

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

(a) whether the Government are aware of the shocking findings in "World Economic Outlook" released by the I.M.F. that India will take 70 years to close half its per capita income gap as compared to other countries, on current GDP;

(b) if so, the details thereof;

(c) the reaction of the Government thereto; and

(d) the steps being taken by the Government in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) Chapter IV of the World Economic Outlook of May 1997 titled, "Globalization and the Opportunities for Developing Countries" used a comparative analytic table for 12 developing countries to consider implications for relative income patterns and convergence. In the explanatory footnote to that table, it is mentioned that India will require 69 (revised from the earlier 70) years to close by half its per capita income gap with the advanced economies if India maintains a relative growth rate of 3% registered in 1995-96. The above calculations are made for illustrative purpose only and would alter based on a number of factors. A cross-country analysis of IMF indicates that the long-term growth rates depend on a number of factors such as (a) skill level of the workforce; (b) absence of distortion affecting investment; (c) degree of openness of the economy; (d) macro-economic stability; and (e) freedom from political and civil unrest.

(c) and (d) The Government has been making efforts to improve the growth rates through wide-ranging reform measures. These measures are expected to spur production and contribute to higher output growth. The time gap indicated in the report can be brought down substantially if higher growth rates than in the past are achieved over the long term and are coupled with a decline in population growth.

[Translation]

**PMRY Bihar**

481. SHRI RAJESH RANJAN ALIAS PAPPU YADAV: Will the Minister of FINANCE be pleased to state:

(a) the total number of applications received and accepted for loan to educated unemployed youths for self employment under the Prime Minister's Rozgar Yojana during 1996-97; State-wise;

(b) whether discrimination is being committed between urban and rural areas in the matter of sanctioning the loan under the Yojana;

(c) if so, the details thereof;

(d) the comparative difference in the minimum loan sanctioned to five States and Bihar under this scheme during the last year;

(e) the amount provided to Bihar during the current year and the number of unemployed to whom the amount is proposed to be provided;

(f) whether any steps have been taken to remove the difficulties faced by the unemployed persons in getting loan after sanction by the Industry department;

(g) if so, the details thereof; and

(h) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (d) A Statement showing State-wise number of applications received and sanctioned and average loan sanctioned to Bihar and other States under the Prime Minister's Rozgar Yojana (PMRY) during 1996-97 is attached.

(b) and (c) Reserve Bank of India (RBI) has reported that they have no information of such discrimination.

(e) No financial targets are fixed under the PMRY. However, physical target for Bihar for 1997-98 is 21,500.

(f) to (h) Based on the sample studies of BRI and State Governments, banks have been inter-alia advised by RBI as under:

(i) No collateral/guarantee should be insisted upon while sanctioning loans; even where offered, collateral/guarantee should not be accepted.

(ii) Working Capital should be released based on the actual requirement of the loan.

(iii) Repayment should be fixed for the term loan only.

(iv) Instructions regarding allowing 6-18 months moratorium should be adhered to.

(v) Loans inclusive of margin money should be disbursed.

(iv) District Level Coordinators of banks should enquire into major irregularities, more particularly in respect of branches performing at less than 50% of the District average in terms of sanction and disbursement for appropriate action. The District Coordinator should also look into complaints regarding asking for collateral from the borrowers.

#### Statement

*Prime Minister's Rozgar Yojana (PMRY) 1996-97  
progress under Prime Minister's Rozgar Yojana at the end of Mar, 1997*

(Amount: Rs. in Lakhs)

#### ALL SCHEDULED COMMERCIAL BANKS

Sl. No.	Name of the State/ U.T.	Applications Received	Applications sanctioned	Average Loan Sanctioned
1	2	3	4	5
1.	Andhra Pradesh	39628	25465	59858
2.	Arunachal Pradesh	418	387	68447
3.	Assam	12517	8307	77100
4.	Bihar	41804	18005	77148
5.	Gujarat	16849	9739	44480
6.	Goa	715	457	76298
7.	Haryana	15234	8005	54145
8.	Himachal Pradesh	3932	2268	55311
9.	Jammu & Kashmir	3576	1792	73672
10.	Karnataka	26664	15075	56631
11.	Kerala	19436	10015	56803
12.	Maharashtra	62797	36708	51890
13.	Manipur	2327	1908	75354
14.	Madhya Pradesh	67114	30836	69200
15.	Meghalaya	472	417	77928
16.	Mizoram	572	217	92525
17.	Nagaland	411	380	65318
18.	Orissa	14103	6841	66049
19.	Punjab	18613	9230	60920
20.	Rajasthan	22223	10435	55009
21.	Sikkim	216	108	44417
22.	Tripura	2627	1553	69107
23.	Tamil Nadu	30750	15296	58310

1	2	3	4	5
24.	Uttar Pradesh	71510	32929	60264
25.	West Bengal	22397	6690	62814
26.	NCT of Delhi	5430	1176	51995
27.	Andman & Nicobar Islands	90	40	118600
28.	Chandigarh	240	147	78633
29.	Dadra & Nagar Haveli	215	140	59986
30.	Daman & Diu	44	24	70208
31.	Lakshadweep	72	35	82429
32.	Pondicherry	676	328	44372
Not Specified		10293	4673	55020
All India		513965	259626	60782

(Data Provisional)

*[English]***Export of Textiles**

482. SHRI CHHITUBHAI GAMIT: Will the Minister of TEXTILES be pleased to state:

(a) whether the export of textile to major countries is declining in terms of value;

(b) if so, the names of such countries to which export is declining in terms of value and since when it is happening and the percentage thereof; and

(c) the names of major countries where there is great demand of Indian textiles?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (c) The export of textiles to major countries in terms of value, is not declining. The major importers of our textile products are the E.U., the U.S.A., Bangladesh, Hong Kong, the U.A.E., Japan etc.

*[Translation]***Indian Investment in Kirgistan**

483. DR. RAMKRISHNA KUSMARIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government of Kirgistan have invited Indian entrepreneurs to invest in their country;

(b) if so, the fields in which this invitation has been extended;

(c) the terms and conditions of investment and other details in this regard; and

(d) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (d) As per the agreement dated 1.6.95 the Government of India has extended a credit line of US \$ 5 million to the Government of Kyrgyzstan for import of goods and services from India. The credit would carry interest equal to the LIBOR rate prevailing on 1.6.95. The agreement provides for a moratorium period of three years and repayment in 9 years in equal half yearly instalments. This credit line has remained unutilised so far. Recently the Government of Kyrgyzstan has approved three projects for supply of plants and machinery for manufacture of LDPE package, tooth brushes and tooth paste as per details given below:-

Sl. No.	Project	Project Cost
1.	LDPE packets	\$ 350,000
2.	Tooth Paste	\$ 530,000
3.	Tooth Brush	\$ 540,000

It is expected that with the above proposal from Kyrgyz Government, the prospect of better utilisation of the above credit line extended by Government of India may improve.

**Uniform Civil Law Bill of Maharashtra**

484. SHRI HANSRAJ AHIR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government have received a Uniform Civil Law Bill from the Government of Maharashtra for approval; and

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

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) No, Sir.

(b) Does not arise.

[English]

#### Setting up of a Steel Plant by MMTC

485. SHRI K.P. SINGH DEO: Will the Minister of COMMERCE be pleased to state:

(a) whether the MMTC propose to set up a steel plant at Duburi in Orissa;

(b) If so, the details thereof;

(c) whether the proposal has been approved by his Ministry;

(d) If so, the total land acquired for the purpose;

(e) the time by which the said plant is likely to be commissioned; and

(f) the progress as on date?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (f) Government has approved MMTC's equity participation in setting up an Integrated Iron & Steel Plant, i.e. Neelachal Ispat Nigam Limited (NINL) at Kalanganagar, Jaipur District, Orissa for production of 1.1 million tonnes steel wire rods, steel billets and pig iron per annum with the other promoters, i.e., Government of Orissa, MECON and some foreign investors. The total land of 2050 acres required for the Project has been acquired. The estimated Project cost is Rs. 1,510/- crores. The Project is scheduled to be operational by 2000 A.D.

The Blast furnace has been imported and transported to the site and financial institutions have appraised and accepted to fund the Project. All statutory clearances have been obtained.

#### Loan Extended as Compared to Deposit in Orissa

486. KUMARI SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) the total amount of loan, category-wise, extended by various Banks in Orissa during each of the last two years; and

(b) the percentage of total loan extended in comparison to the total deposits made in these banks during the same period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The amount of bank credit given in Orissa under Annual Credit Plan during the last two years to different sectors, as furnished by Reserve Bank of India (RBI) is given below:

Sector	(Rs. in crore)	
	1994-95	1995-96
1. Agriculture & Allied Activities	273.99	392.53
2. Small Scale Industries	84.15	119.57
3. Services	136.94	253.24
Total	495.08	765.34

(b) The credit deposit ratio of scheduled commercial banks in Orissa as at the end of March 1995 and March 1996, as reported by RBI, was 54.1 per cent and 54.8 per cent respectively.

#### Complaints Against State Bank of India Mumbai

487. SHRI RADHA MOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of letters received from the Members of Parliament by the State Bank of India, Central Office, Mumbai during the last three years complaining that higher authorities of the Associate Banks of the State Bank of India are shielding some guilty employees/union leaders of the Bank;

(b) If so, the details thereof; bank-wise;

(c) whether any impartial enquiry of these letters has been conducted by the Central Office, Mumbai;

(d) If not, the reasons therefor; and

(e) the directions which are likely to be issued to the concerning Banks regarding action against guilty employees/union leaders to avoid inordinate delay in these cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and to the extent available will be laid down on the Table of the House.

#### Purchase of Power Support Machines

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

(a) the details of power support machines procured for Munidih project of B.C.C.L during the last three years;

(b) the amount spent of their procurement during the above period;

(c) whether power support machines were also procured from Poland; and

(d) If so, the number thereof and the thickness of coal which these machines would be able to cut?



THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) No powered support machines were procured by Coal India Limited for the Moonidih project of Bharat Coking Coal Ltd. during the last three years.

(b) to (d) Not applicable in view of (a) above.

#### **Salboni Currency Note Printing Press**

489. SHRI HANNAN MOLLAH:

SHRI BASUDEB ACHARIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Salboni Currency Note Printing Press has started printing the currency notes;

(b) if so, the details thereof along with its capacity;

(c) whether there is any idle capacity; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) In Phase I, one line of Machines have been commissioned with effect from 11-12-96. Till June, 1997, it has produced about 320 million pieces of Rs. 10 denomination notes. The Press has also started a second shift from July 1, 1997.

(c) No, Sir.

(d) Does not arise.

#### **Increase in Opium Rates**

490. DR. LAXMINARAYAN PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any demand from the opium growers for hike in the prices of the opium produced under the licensed areas; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir. Representations for hike in opium price are received by the Government every year.

(b) Based on such representations, periodical review and revision of the existing opium prices are conducted by the Government. The latest review was conducted during the crop year 1996-97 when the Govt. announced an increase of Rs. 100/- per kg. in the existing opium price slabs.

#### **Bank Branches in Assam**

491. SHRI KESHAB MAHANTA: Will the Minister of FINANCE be pleased to state:

(a) the number of bank branches opened in Assam alongwith their locations by Canara Bank, Union Bank of India, Oriental Bank of Commerce and Corporation Bank since those guidelines issued by the Reserve Bank of India;

(b) whether the Bank Employees Committee of Assam Jatiyatabadi Yuba Chatra Parishad is agitating over non-expansion of banking network in Assam, thereby defeating the very idea with which banks were nationalised; and

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

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

[Translation]

#### **Indo-Dutch Project**

492. SHRI JAGAT VIR SINGH DRONA: Will the Minister of FINANCE be pleased to state:

(a) whether his ministry has raised objection on the Indo-Dutch Project of Kanpur, Uttar Pradesh even after its clearance by the Ministry of Environment and Forests;

(b) if so, the details of the objections raised and the reasons therefor; and

(c) the time by which it is likely to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SATPAL MAHARAJ): (a) No, Sir.

(b) Does not arise.

(c) The project agreement will be signed shortly.

[English]

#### **Production of Coal**

493. SHRI RAJABHAU THAKRE: Will the Minister of COAL be pleased to state:

(a) the total number of coal mines in Maharashtra alongwith production of coal during the each of the last three years;

(b) the quantum of coal exported from the State during the last three years and the names of the countries to whom it was exported;

(c) whether the Government propose to export coal in future also; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) The total number of working coal mines under Coal India Limited (CIL) in Maharashtra and the production from them during the last three years is as under:-

	1996-97	1995-96	1994-95
No. of Mines	49	49	44
Production (in Million Tonnes)	24.858 (Provisional)	22.82	21.07

(b) to (d) No coal has been exported by CIL from Maharashtra during the last three years and it has no plan to export coal from the State in future.

#### **Duty on Imported Newsprint**

494. SHRI SYDAIAH KOTA:

SHRI SANTOSH KUMAR GANGWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any proposal to withdraw 10 per cent import duty on newsprint;

(b) if so, the details thereof; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The Indian Newspaper Society has sought withdrawal of the duty on newsprint on the grounds, inter-alia, that:-

(1) newsprint constitutes a significant cost of newspapers

(2) the duty is a tax on knowledge and inconsistent with the need of the domestic newsprint industry to maintain certain levels of efficiency and productivity

(3) there is no justification for continuation of the duty in terms of the price of imported newsprint, for July to September, 1997, indicated by foreign suppliers.

(c) The Government is keeping a watch on the international prices of newsprint and when the international prices rise, the Government will review the levy, taking into account all the relevant factors.

#### **SIDBI's Financial Scheme**

495. SHRI RAMASHRAYA PRASAD SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Small Industries Development Bank of India has developed a plan to market indigenous products manufactured by SIDBI's financial scheme for small sectors; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The Small Industries Development Bank of India (SIDBI) has developed a plan to market indigenous products manufac-

tured by small scale industrial (SSI) units. For this purpose, SIDBI has set up a specialised department to accord focussed attention to the marketing problems of the SSI units. SIDBI has introduced a special scheme of direct assistance for financing activities relating to marketing of products manufactured by SSI units. Since introduction of the scheme in May 1996, SIDBI has sanctioned term loans aggregating Rs. 1225.5 lakhs to 21 units in the country. Besides, SIDBI has undertaken several other initiatives such as participating in sponsoring exhibitions/trade fair, conducting market studies and assisting in setting up of showrooms for marketing the products manufactured by the SSI units.

[Translation]

#### **Share Market**

496. SHRI KACHARU BHARU RAUT: Will the Minister of FINANCE be pleased to state:

(a) the reasons for the showing improvement in the share market;

(b) whether the Government propose to take any action to improve the share market;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There are various factors which affect the movement of prices of shares. Some of these factors relate to the expectations of investors regarding the performance of the corporate sector and the economy in general, perceptions of the investors about economic policies of the Government, development in international capital markets and speculative activity.

(b) to (d) The main concern of Government policy is to ensure that stock markets operate in the orderly and transparent manner in full compliance with the rules and regulations of the Securities and Exchange Board of India (SEBI) for protecting the rights of the investors and for maintaining the confidence of the investors in the stock market.

[English]

#### **Directions to Non-Banking Finance Companies**

497. SHRI DHIRENDRA AGARWAL:

SHRI RAM NAIK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has issued fresh directions asking all Non-Banking Finance Companies (NBFCs) including residuary non-banking companies to apply for registration certificate before July, 1997;

(b) if so, the details of directions and the reasons therefor;

- (c) the number of applications received;
- (d) the proposed period for issuing registration certificates; and

(e) the action proposed to be taken against the companies that have not got themselves registered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The RBI Act, 1934 as amended in 1997 provides that every non-banking financial company (NBFC) including residuary non-banking financial company (RNBFC) should make an application for registration within six months of the coming into force of the amendment. The period of six months expired on 9th July 1997.

(c) RBI have stated that they have received 37478 applications.

(d) The Act does not stipulate any period for completing the process of issuing registration certificates. RBI has already commenced the processing of the applications.

(e) All NBFCs which were in existence before 9th January, 1997 but have not applied for a Certificate of Registration from RBI on or before 8th July, 1997 are not permitted to carry on the business of NBFCs w.e.f. 9th July, 1997. Any such company which has applied for Certificate of Registration on or before 8th July, 1997 can carry on business until its application for registration is rejected by the RBI. Sub-section 4A of Section 58B of RBI Act inter-alia provides that the punishment for carrying on business without a certificate for registration shall be imprisonment for a term which shall not be less than one year but which may extend to five years and fine which shall not be less than Rs. 1 lakh but which may extend to Rs. 5 lakh.

#### **Outdated Laws**

498. SHRI JAYSINH CHAUHAN:

SHRI RATILAL KALIDAS VERMA:

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

(a) whether attention of the Government has been drawn to the news-item captioned "Outdated laws net the innocent, but let off corrupt officials" appearing in The Times of India dated May 19, 1997;

(b) if so, the reaction of the Government thereto; and

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

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Yes, Sir.

(b) The news-item contains views and findings of its reporter.

(c) No corrective steps are proposed to be taken on the basis of the news-item.

[Translation]

#### **Monetary Losses of Rural Banks**

499. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) the total monetary losses of rural banks operating in the country as on April 1, 1997; and

(b) the steps being taken to reduce the said losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per latest data available with National Bank for Agriculture & Rural Development (NABARD), the total accumulated losses of all Regional Rural Banks (RRBs) operating in the country amounted to Rs. 2176 crores (data provisional) as on 31st March, 1996.

A number of steps have been taken to strengthen RRBs and improve their viability which include, inter-alia, the following:-

(i) 136 RRBs have been provided with financial support to an extent of Rs. 573 crores by Government of India for comprehensive revamping.

(ii) With a view to widening the range and scope of their services RRBs have been, inter-alia, allowed to issue guarantees on behalf of their customers, install lockers, issue drafts and effect mail transfers. More discretionary powers have been given to them for purchase/ discounting of cheques/demand drafts.

(iii) RRBs have, subject to certain conditions, been allowed to relocate their loss-making branches to relatively better locations viz. commercial centres like market areas, village mandis, block and district headquarters and to redeploy concerned staff suitably.

(iv) RRBs have been advised to prepare bank specific development action plans to enable them to adopt a systematic approach for their turn-around.

(v) Reserve Bank of India (RBI) has provided RRBs access to profitable avenues for investment of their non-SLR surplus funds in listed and other schemes of Unit Trust of India (UTI), fixed deposits in profit making financial institutions, in bonds of nationalised banks and profit earning public sector institutions and in non-convertible debentures of reputed blue chip companies. Besides, the RRBs have been permitted by the RBI to deploy a part of their surplus non-SIR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to be issued by the latter.

(vi) Prudential accounting norms of income recognition and asset classification have been applied to RRBs in 1995-96. Provisioning norms have also been applied in a phased manner from 1996-97.

(vii) With effect from 26.08.96, the RBI has fully deregulated the interest rates that can be changed to the ultimate borrowers by the RBSs.

(viii) With a view to impart viability to lending operations of RRBs and to bring about uniformity in approach on lending alongwith commercial banks, RBI have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector should constitute 40% of their outstanding advances, as in the case of commercial banks.

### **Economic Growth**

500. SHRI PRITHVIRAJ D. CHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether serious problems have developed in the growth of our economy due to the shortage of infrastructure facilities;

(b) if so, the details of problems and the steps taken to overcome them;

(c) whether the Government have formulated any plan and policy programmes in pursuance of the recommendations of the Experts Committee on infrastructure sector;

(d) if so, the details thereof; and

(e) the role assigned to domestic and foreign investors for the development of infrastructure facilities in our country?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Seven infrastructural and core industries, namely, electricity generation, coal, saleable steel, crude oil, petroleum products, cement and fertilisers with a combined weight of 31 per cent in the Index of Industrial Production (IIP), have recorded a growth rate of 2.9 per cent in April-March, 1996-97 as compared to 7.8 per cent in April-March, 1995-96. While Gross Domestic Product (GDP), at factor cost, at constant prices, for the year 1996-97 registered a growth of 6.8 per cent as compared to 7.1 per cent in the preceding year, the manufacturing sector grew by only 8.1 per cent as compared to 13.6 per cent in 1995-96. The slowdown of growth in manufacturing in 1996-97 can be partly attributed to the poor performance of the infrastructure industries since some infrastructure industries are included in the index for manufacturing and more important weak infrastructure performance constrains the growth of manufacturing generally.

The Government's development strategy attaches high priority to the Development of efficient infrastructure and recognises the fact that provision and maintenance of adequate infrastructure facilities at reasonable cost are absolutely necessary for rapid economic growth on a sustainable basis. Several fiscal incentives have been offered

for setting up infrastructure projects.

(c) and (d) The Government has already implemented some of the recommendations of the Expert Group on commercialisation of Infrastructure Projects.

To provide long-term finance for the infrastructure sector the Budget, 1996-97 announced establishment of an Infrastructure Development Finance Company (IDFC). The IDFC has since been incorporated under the Companies Act on 30.1.97 with an authorised share capital of Rs. 5000 crore. The Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) on net inter-bank liabilities has been abolished. Foreign Institutional Investors (FIIs) have been allowed to participate in the debt market.

(e) Given the competing demands on limited resources available with the Government, the creation of quality infrastructure will need infusion of private capital, including foreign investment. Since December, 1996 the Government has allowed automatic approval for foreign equity participation upto 74 per cent in key infrastructure industries.

### **Currency Notes**

501. SHRI RUPCHAND PAL:

SHRI A.G.S. RAMBABU:

SHRI ANIL BASU:

SHRI AJAY MUKHOPADHYAY:

DR. ASIM BALA:

Will the Minister of FINANCE be pleased to state:

(a) the annual production capacity of the currency notes in each of the printing presses and the total requirement thereof in the country;

(b) whether the production capacity of these presses is fully utilised;

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

(d) whether the Government propose to import currency notes to meet the requirements;

(e) if so, the reasons therefor and the amount of foreign exchange proposed to be spent thereon;

(f) whether the Government propose to modernise the existing presses to overcome the acute shortage of currency notes; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The production capacity of the currency notes and the requirement during 1996-97 was as under:-

(figures in million pieces)

Name of the Press	Capacity	RBI's requirement of fresh notes
Bank Note Press, Dewas.	1875	16,200
Currency Note Press, Nashik.	4000	

Besides, RBI is setting up two more note printing presses, one at Salboni in West Bengal and other at Mysore in Karnataka. When fully commissioned by the end of 1999, their production capacity will be 9900 million pieces per annum.

(b) and (c) During 1996-97, production of notes in Bank Note Press, Dewas was 1810 million pieces and in Currency Note Press, Nashik, it was 3336 million pieces. The Government has taken up modernisation of these Presses to replace old machines.

(d) and (e) The Government has authorised RBI to import bank notes of Rs. 100 and Rs. 500 denominations, of a total value of Rs. 1,00,000 crores, as a one time measures, to tide over the present shortage situation. The total CIF cost of imported notes will be US \$ 95.28 millions.

(f) Yes, sir.

(g) BNP/CNP modernisation has been taken up at an estimated cost of Rs. 536.02 crores. The modernisation programme will be completed by the of 1998. After completion of the modernisation, the annual production capacity of BNP will be increased from 1875 million pieces to 2904 million pieces and that of CNP, from 4000 million pieces to 5400 million pieces.

#### Reservation Policy of SSI

502. SHRI NAWAL KISHORE RAI:

SHRI NITISH KUMAR:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Sub-committee constituted under the chairmanship of Shri Sebastian Maurice of Indian Institute of Management, Ahmedabad, has recommended the abolition of reservation policy for small-scale industries;

(b) if so, the recommendations of the said sub-committee;

(c) whether the Government have also taken certain decisions after making study of these recommendations; and

(d) if so, the details of the said decisions and the reaction of the Government in regard to the abolition of reservation policy for existing small scale industries?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) The Sub-Committee constituted under

the Chairmanship of Shri Sebastian Maurice of Indian Institute of Management, Ahmedabad has not recommended abolition of the Reservation Policy for Small Scale Sector as this aspect was not part of the terms of reference of the Sub-Committee. The terms of reference of the Sub-Committee were confined to issues relating to finance, credit and sickness.

[Translation]

#### Special Items for SSI

503. SHRIMATI KETAKI DEVI SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal under consideration of the Government to give the rights of production of some special items to small scale industries;

(b) if so, the details thereof; and

(c) by when a final decision likely to be taken in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Government has already given adequate rights of production of special items to small scale industries under its policy of reservation. At present 821 items are reserved for exclusive production in the Small Scale Sector. Reservation/dereservation of items is a continuous process and is being reviewed periodically by the Advisory Committee on Reservation constituted by the Government under the Industries (Development & Regulation) Act, 1951. This Committee meets at regular intervals and recommends to the Government items to be added to and deleted from the list.

#### Smuggling through Bangladesh

504. SHRI BHAGWAN SHANKAR RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the incidents of smuggling into the country through Bangladesh has come to light;

(b) if so, the details thereof;

(c) whether the Bangladesh Government has accepted this fact; and

(d) if so, the steps taken to check such incidents?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, a large number of cases of smuggling through Indo-Bangladesh border has been detected. The details of seizures made during the last 3 years are given below:

Year	Value of Seizure (Rs. in lakhs)
1994-95	3115.63
1995-96	3228.74
1996-97	2782.12

(c) and (d) The matter has been discussed with officials of Bangladesh Govt. and both sides have agreed to cooperate in checking smuggling activities and share intelligence in this regard. Further, field formations are alert to check smuggling across Indo-Bangladesh border.

[English]

#### Smart Cards

505. SHRI MANIKRAO HODLYA GAVIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have any plan to introduce Smart Cards to replace the notes in day to day money transaction to reduce the pressure on printing and circulation of currency notes; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) Does not arise.

[Translation]

#### Profit and Loss of LIC

506. SHRI THAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state:

(a) the details of loss and profit of the Life Insurance Corporation of India during 1994-95, 1995-96 and 1996-97;

(b) whether the expenditure on establishment and ancillary expenses on organising function by the L.I.C. has been mounting during the last three years;

(c) whether the Government is contemplating to hike the bonus for policy holders of the LIC;

(d) if so, since when; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Life Insurance Corporation (LIC) of India have reported that due to long

term nature of insurance contracts and the uncertainty associated with future experience regarding deaths, expenses and interest earning the profit and loss for a particular year is not prepared like a trading or manufacturing firms, etc. However, valuing actuary determines 'surplus' every year based on prudent assumptions as to mortality, expenses and interest in the light of past experience.

The surplus declared in the Financial years 94-95 and 95-96 is as under:-

Valuation as at (Surplus)	Rs.
31.3.1995	3218.87 Crs.
31.3.1996	3433.93 Crs.

For 1996-97 the surplus has not been declared so far.

(b) No, Sir.

(c) to (e) Bonus is declared by the LIC on the basis of valuation surplus available at the end of the financial year. The valuation surplus for the financial year 1996-97 has not been determined so far.

[English]

#### Foreign Assistance to Madhya Pradesh

507. SHRI CHHATAR SINGH DARBAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have approved foreign assistance for some development projects in Madhya Pradesh;

(b) if so, the details thereof; and

(c) the amount proposed to be spent on those projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) and (c) As per the Statement attached.

#### Statement

##### *On-going/approved externally aided projects in Madhya Pradesh*

S.No.	Name of the Project	Donor	Total Project Cost	External Aid
1	2	3	4	5
<b>On-going projects</b>				
1.	Indore Slum Improvement	UK	Rs. 34.54 crore	Pds. 14.4 million
2.	Rewa Hospital	OPEC	Rs. 57.56 crore	US \$ 10 million
3.	MP Forestry	WB	US \$ 67.3 million	US \$ 58 million
4.	Eco. Development Project*	WB	US \$ 67 million	US \$ 48 million

1	2	3	4	5
5.	MP Women in Agriculture	Den.	Rs. 6.25 crore	Rs. 6.25 crore
6.	Integrated Livestock Dev. Project Baster	Den.	Rs. 14.01 crore	Rs. 14.01 crore
7.	Comprehensive Watershed Dev. Project in Malwa Region	Den.	Rs. 13.15 crore	Rs. 13.15 crore
8.	Lake Bhopal Conservation	Japan	Yen 8300 million	Yen 7055 million
9.	Rajghat Canal Irrigation	Japan	Yen 17350 million	Yen 13222 million
10.	Tuberculosis Control Proj.*	IDA	Rs. 749.28 crore	US \$ 142.4 million
11.	Reproductive & Child Health Services Project*	IDA	US \$ 308.1 million	US \$ 240 million
12.	Dam Safety Project*	IDA	US \$ 196.8 million	US \$ 130 million
13.	Hydrology Project*	IDA	US \$ 162.4 million	US \$ 142 million
	<b>Approved projects but agreement yet to be signed</b>			
14.	Automatic Forest Fire Watchers at Kanha National Park	France	FF 10 million	FF 10 million
15.	MP Sericulture Project	Japan	Rs. 262 crore	Yen 2212 million
16.	Malaria Control Project	IDA	US \$ 203.9 million	US \$ 164.2 million

\*Multi-State/Centrally sponsored project where Madhya Pradesh is a participating State. The loan amount pertains to the project as a whole since State-wise break-up of loan is not available separately.

#### Non-Banking Financial Companies in Uttar Pradesh

508. SHRI S.P. JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) the details of non-banking financial institutions approved by the Reserve Bank of India to operate in Uttar Pradesh;

(b) whether the Government are aware of the fact that several such institutions have duped the depositors on a large scale;

(c) if so, the action taken against these fraudulent units;

(d) whether the Government propose to impose a ban on these institutions; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Before the recent amendment to the Reserve Bank of India (RBI) Act 1934, there was no requirement for seeking approval or prior permission of RBI before commencing or carrying on the business of Non-Banking Financial (NBFCs).

As reported by RBI the number of NBFCs on the mailing list of RBI, Lucknow were 1855. The number of companies registered under the erstwhile Voluntary Registration Scheme was seven. The number of companies in Uttar Pradesh which have now applied for registration with RBI as per the provisions of Section 45 1A of RBI Act are 1425.

(b) and (c) The information is being collected and will be laid on the Table of the House.

(d) and (e) The RBI Act as amended in 1997 provides that only registered NBFCs can carry on the business of NBFCs. However, existing NBFCs which have applied for registration within the prescribed time limit may carry on business until their application for registration is rejected by RBI. Furthermore, the RBI Act authorises the RBI to prohibit companies from accepting deposits in case of non-compliance with statutory provisions or any directions of RBI. RBI may also, if need be, file a winding up petition in the High Court.

#### Seizure of Goods by Customs Officials

509. DR. BALIRAM: Will the Minister of FINANCE be pleased to state:

- (a) the details of goods seized by the Customs officials at different places during the last four months;
- (b) the value of seized goods;
- (c) whether any incentives were given to the officers and employees who seized the goods;
- (d) if so, the details thereof; and
- (e) the method by which the goods seized by the Government were auctioned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and will be laid on the Table of the House.

#### **Smuggling of Cardamon, Cloves and Cassia**

510. SHRI P.C. THOMAS: Will the Minister of FINANCE be pleased to state:

- (a) whether cardamom, cloves and cassia are being smuggled into India;
- (b) if so, the total smuggling or illegal imports have taken place in each of these during the last two years, year-wise;
- (c) whether the Government have adjudicated on such imports without licence;
- (d) if so, the details of each items, adjudication regarding imports in ports like Cochin, Tuticorin, Madras (Chennai), Mangalore, all ports of Mumbai and in other Indian ports during the said period;
- (e) the details of quantity and value of each items on which penalty and other prosecution imposed; and
- (f) the quantity of each such illegal imports which have been regularised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (f) The information is being collected and will be laid on the Table of the House.

#### **Rationalisation of the Stamp Act, Sales Tax Structure**

511. SHRI SHANTILAL PARSOTAMDAS PATEL: Will the Minister of FINANCE be pleased to state:

- (a) whether his ministry has organised any meeting of all the State Finance Ministers during May, 1997 to discuss the rationalisation of the Stamp Act, Sales Tax structure and also Value Added Tax System throughout the country;
- (b) if so, the details thereof; and
- (c) the decision taken at the meeting?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) A

meeting of the Finance Ministers of all States and Union Territories was convened by the Union Finance Minister on 4th July, 1997 to discuss the report of the group of Officials and Experts of Taxation of Inter-State Sales and the Report of the Committee of State Finance Ministers on Stamp Duty Reforms.

- (c) There was general consensus on the imperatives of reforming the Central Sales Tax and Stamp Duty and introduction of VAT.

#### **Inspection of Coal Stocks**

512. SHRI VINAY KATIYAR:

SHRI MAHAVIR LAL BISHVAKARAMA:

Will the Minister of COAL be pleased to state:

- (a) the names of mines of Coal India Ltd. and its subsidiaries in which shortage in stock of Coal was detected during the last three years at the time of inspection of coal mines;
- (b) the action taken by the Government in this regard; and
- (c) the steps by the Government to prevent recurrence of such incidents in future?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) According to the coal stock verification carried out in CIL mines during 1993-94 to 1995-96, coal stock shortage revealed beyond permissible variation of +/- 5% is given in attached statement. Stock verification for 1996-97 is in progress.

- (b) Whenever any shortage beyond +/- 5% variation is revealed in coal stocks, action is taken against the erring officials by the concerned coal company.
- (c) To prevent stock shortages, following steps including periodic physical measurement of coal stock are being taken:-

(1)

(I) Monthly - By Unit Level Teams

(II) Quarterly - By Area Level Teams

(III) Bi-annually - By Subsidiary Headquarter Level Teams

(IV) Annually - By CIL Level Teams

(2) Check measurements are being undertaken in 10% of collieries having high stocks by survey teams comprising of surveyors other than CIL subsidiaries as members.

(3) Action against erring officials, wherever coal stock shortage is revealed, are taken by coal companies.

(4) Surprise check surveys are also carried out.



**Statement**  
**Eastern Coalfield Ltd.**

Sl. No.	Nama of the Mine	Shortage (In Tonnes)
1	2	3
<b>1995-96</b>		
1.	Madhalpur	985
2.	Pandaveshwar	5,643
3.	South Samla	341
4.	SS Pur	13,580
5.	Tirath	743
6.	Kuardih	2,804
7.	Ratibati	1,510
8.	Chapui Khas	999
9.	Mithapur	2,467
10.	Kunustoria	27,675
11.	Poldih	172
12.	Khairabad	83
<b>1994-95</b>		
1.	Pandaveshwar	795
2.	Dalurbandug	601
3.	South Samla	45
4.	Madhalpur	15,082
5.	Dalurband OCP	2,907
6.	J Palaathali	3,143
7.	Gangaramchak	11,036
8.	Kumaradih A	453
9.	Kumaradih B	957
10.	Talaboni	10,790
11.	Bahnora	9,088
12.	Khandra	3,162
13.	Sidull	7,179
14.	C.L. Jambad	8,152
15.	Lowerkenda	9,142
16.	Madhusudanpur	3,949
17.	Madhujore	1,332
18.	Parascole	5,828

1	2	3
19.	Kilas Kajora	2,918
20.	Lachipur	1,633
21.	Ghanashyam UG	1,934
22.	Balbald	6,938
23.	Nsearsole	17,750
24.	Kunustoria	4,697
25.	Parasoa 6 & 7 INC	2,480
26.	Chaputkhas	835
27.	Ardhogram	18,236
28.	Bhanora R	1,193
29.	Bhanora West	12,825
30.	Kalpahari	5,281
31.	Ghusik R	3,057
32.	Methani	3,494
33.	Narasmunda	2,039
34.	Parbellia	13,925
35.	Dubeshwari	10,369
36.	Mohanpur	11,356
37.	Barmuri	85,927
38.	Shyampur B	20,704
<b>1993-94</b>		
1.	Pandaveshwar	1,528
2.	Dalurband	806
3.	S/Samla	468
4.	Madhalpur	19,943
5.	Kankartia	678
6.	Gangaramchak	16,407
7.	Sidull	20,761
8.	Haripur	33,945
9.	Lower Kenda	27,189
10.	Belbed	2,089
11.	N/Searole	9,981
12.	Bansra UG	20,692
13.	Kunuatora	31,385
14.	Amarsota	1,658

1	2	3
15.	Parasia 6 & 7	5,449
16.	Bhanora R	1,947
17.	Bhanora West	9,966
18.	Kalipahar	4,147
19.	Ghusik R	1,010
20.	Ranipur	511
21.	Parbella	3,319
22.	Dubeshwari	9,915
23.	Dabor OC	20,362
24.	Dalmia OC	58,406
25.	Mohanpur	41,070
26.	Chakbalavpur	1,515
27.	Rajmahal	80,454
28.	Chitra B	186,562
29.	Lakhimat A	36,134
30.	Shampur B	10,718
31.	Kapasara	2,203

*Bharat Coking Coal Ltd.*

Sl. No.	Name of the Mine	Shotrage (In Tonnes)
1	2	3
1.	Mudidih	648
2.	North Tisra	176,377
3.	South Tisra	111,505
<b>1995-96</b>		
1.	Moodidih	5,521
2.	Kankanee	6,066
3.	Tetulmari	12,409
4.	Bastacolla	50,186
5.	Bera	79,040
6.	Dobari	53,551
7.	Ganhoodih	1110,978
8.	Kujama	35,040
9.	Kuya	217,075
10.	Gocp	599,722

1	2	3
11.	N Istra	156,497
12.	S Tisra	260,035
13.	Jeenagora	3,487
14.	Jalrampur	1,138
15.	Muraldhi	112,319
16.	Jamunia OCP	68,306
17.	Balihari	7,725
18.	Bhagaband	24,849
19.	Hurladih	653
20.	Basantimata	6,793

**1993-94**

1.	Lohapatti	5,160
2.	Loyabad	20,142
3.	Kathara	4,397
4.	Damagoriaocp	924,538
5.	NL OCP	45,330

*Central Coalfields Ltd.***1995-96**

1.	Sirka UG	15,595
2.	Argara	10,016
3.	Kathara	20,417
4.	S Dhorekalyani	46,425

**1994-95**

1.	Bhurkunda	44,606
2.	Lapanga	136,926
3.	Saunda	86,139
4.	A. Karanpura	18,139
5.	K. Karanpura	20,601
6.	Sayal D	626,531
7.	Ulmari	432,920
8.	Gidi A	18,223
9.	Religara	216,903
10.	Sirka UG	4,481
11.	Sirka OC	49,517
12.	Rohini OC	171,686

1	2	3
13.	Churi	37,411
14.	Karkata	183,529
15.	Ashok OCP	131,678
16.	Tetarikhhar OC	7,213
17.	K Dewarkhand	192,438
18.	Sawang & Pipradih	568,465
19.	Govindpur (P)	323,618
20.	Kathara	527,357
21.	Jarandih	242,206
22.	Dhori	335,252
23.	N S Dhori	296,521
24.	Amlo	199,066
25.	Kalyani	296,702
26.	Tarmi	233,886
27.	Dhori-K	150,749
28.	Girdih OCP	29,737
29.	Karbidad PDTRN	238,096
30.	Kuju	78,732
31.	Seemra	1,810
32.	Sugla	36,558
33.	Pundi	240,078
34.	Topa	92,629
35.	Pindra	54,526
36.	Sarubera	28,281
37.	NR Siding	27,846
38.	Chinpur Siding	24,684
<b>1993-94</b>		
1.	Sirka UG	28,722
2.	Sirka OC	76,276
<i>South Eastern Coalfields Ltd.</i>		
<b>1995-96 Shortfall</b>		Nil
<b>1994-95 Shortfall</b>		Nil
<b>1993-94</b>		
1.	Rajnagar RO	84,513

1	2	3
<i>Western Coalfield Ltd.</i>		
<b>1995-96 Shortfall</b>		Nil
<b>1994-95 Shortfall</b>		Nil
<b>1993-94</b>		
1.	Shivpuri	3,021
NCL, MCL, & NEC		
No Stock Shortage During 1993-94, 94-95 & 95-96		
<b>Discrimination in Import Duty</b>		
513. SHRI SURESH R. JADHAV: Will the Minister of COMMERCE be pleased to state:		
(a) whether Government are aware of the fact that due to discrimination in import duty by the Government of UK and other European countries, Indian Grapes Exporters have to pay 18% import duty while grape growers from Chile and Israel have to pay only 3% import duty;		
(b) whether the Government have taken up this matter with the Governments of UK and other European countries; and		
(c) if so, the response of those countries?		
THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) There is no separate country-specific duty regime imposed by the European Union (EU) as the duties are required to be levied on 'Most Favoured Nation' (MFN) basis. However, in derogation of MFN duties, EU grants concessional treatment under the Generalised System of Preference (GSP) to various developing countries. India is also one of the beneficiaries. The import duty on Indian grapes has been reduced from 8% to 15% by the EU during the crop season, 1997. Under the EU GSP Scheme, exports from least the crop season, 1997. Under the EU GSP Scheme, exports from least developed countries and some other countries facing special problems enjoy greater concessions than India.		
(b) and (c) India has requested European Union for better GSP treatment.		
<b>Inspection of CRB Accounts by RBI</b>		
514. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:		
(a) whether the R.B.I. inspected accounts books of the CRB Capital Market during November, 1996;		
(b) whether the final inspection of CRB's corporate office in Mumbai by R.B.I. was completed on Jan 3, 1997;		
(c) if so, the details of irregularities came to the notice of R.B.I. during the inspection;		

(d) the reasons for delay in taking action against the Company; and

(e) the action taken or proposed to be taken against the RBI officials found guilty in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI) conducted an inspection of the Registered Office of the CRB Capital Markets Ltd. in Delhi between 13.11.96 and 18.11.96 and of the Mumbai Office between 18.11.96 and 3.1.97. The inspection which was carried out with reference to its position as on 31.3.96, revealed that the company had violated RBI directions in regard to period and interest rates of deposits. The company had paid brokerage beyond the maximum permissible rates, accepted NRI deposits beyond the period for which the permission was granted by Exchange Control Department and violated SEBI regulations and guidelines while accepting money under the Portfolio Management Scheme (PMS). The inspection also pointed out that the company could not establish the bonafides of bills discounted.

(d) and (e) Government has asked the regulators, i.e. RBI and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected.

[Translation]

#### PSUs in Navratna List

515. SHRI NITISH KUMAR:

JUSTICE GUMAN MAL LODHA:

SHRI SURESH KALMADI:

Will the Minister of INDUSTRY be pleased to state:

(a) the names of the public sector undertakings which have been included by the Government in the 'Navratna' List;

(b) the criteria fixed for selecting such undertakings;

(c) the peculiar benefits accruing to such undertakings by their inclusion in the 'Navratna' List;

(d) whether the Government have any plan to include more PSUs in the said list; and

(e) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The Government have included the following 9 companies in the 'Navratna' list (alphabetical order):

Bharat Heavy Electricals Ltd.

Bharat Petroleum Corporation Ltd.

Hindustan Petroleum Corporation Ltd.

Indian Oil Corporation Ltd.

Indian Petrochemicals Corporation Ltd.

National Thermal Power Corporation

Oil & Natural Gas Corporation

Steel Authority of India Ltd.

Videsh Sanchar Nigam Ltd.

(b) and (c) The criteria for selection of the enterprises in the 'Navratna' List was size, physical and financial performance, nature of activity, future prospects and the potential to develop into world level players. The main benefits accruing to the undertakings included in the 'Navratna' List are the grant of substantially enhanced autonomy and operational freedom.

(d) and (e) No decision has been taken in this regard.

#### Plans for Setting up Village and Cottage Industries

516. SHRI GEORGE FERNANDES: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have any concrete and time-bound plans for setting up of village and cottage industries in the country;

(b) if so, the details thereof;

(c) if not, whether the Government propose to consider such detail plans; and

(d) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Government promotes Khadi and Village Industries in the country through the Khadi and Village Industries Commission (KVIC) which is a body created by the KVIC Act, 1956. Since its inception in 1956, KVIC has been promoting and funding Khadi and Village Industries throughout the country. At the end of the Eighth Five Year Plan, KVIC has achieved the employment level of 60.22 lakh persons. The IXth Plan Working Group on KVI Sector has recommended generation of additional employment of 46.71 lakhs by the terminal year of IXth Plan. The IXth Plan has not yet been finalised. Therefore the target for employment generation by the KVIC through KVI schemes during IXth Plan will depend on the Plan resources to be made available to the KVIC by the Government.

Important components of Rural Employment Generation Programme being implemented by the KVIC based on the recommendations of the High Power Committee are:-

(i) Enhancement of Khadi production;

(ii) 125 RPDS Blocks Programme;

(iii) District Special Employment Programme;

- (iv) National Programme on Leather, Handmade paper and Beekeeping; and
- (v) Special Projects in thrust areas.

[English]

#### **Lending Patterns of RRBs**

517. SHRI SUDHIR GIRI: Will the Minister of FINANCE be pleased to state:

- (a) in which respect the lending patterns of the Regional Rural Banks differ from those of the Commercial Banks;
- (b) the proposal of the Regional Rural Banks to enable them at par with the Commercial Banks; and
- (c) the reasons for discarding these proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Regional Rural Banks (RRBs) were established with a view to developing the rural economy by providing credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in the rural sector. Consistent with these objectives, the branch net work of RRBs has expanded primarily in the rural areas and the thrust of lending operations of RRBs has been on target group beneficiaries in rural areas within their area of operation.

However, sustained viability of operations is necessary if the RRBs are to meet the objectives for which these have been established. Accordingly, the Government/Reserve Bank of India (RBI) have taken a number of steps to improve viability of operations of RRBs which cover, inter-alia, deregulation of interest rates, widening the range and scope of services like purchase and discounting of drafts/cheques and issue of guarantees, financing of non target groups, participation in risk bearing and non risk bearing participation certificates and provision of housing loans etc.

In addition to these, RBI have recently stipulated that beginning 1st April, 1997, the advances of RRBs to priority sector borrowers should constitute 40% of their outstanding advances as in the case of Commercial Banks. Further, as a part of revamping of RRBs, the Government have provided recapitalisation support to select RRBs for cleansing up of balance sheets. Preparation of Development Action Plans (DAPs) and execution of Memoranda of Understanding (MOUs) by the RRBs with various sponsor banks, on an annual basis, have significantly contributed to improve performance of RRBs.

The above steps have been taken to, inter-alia, provide a level playing field to RRBs, especially in the areas of investment and lending opportunities and to enable them to perform their functions in a viable and sustainable manner.

While no specific proposals in regard to lending policy have been discarded relaxations have been made, in a

phased manner, on restrictions on lending, branch expansion and investment of surplus resources subject to availability of necessary expertise and resources with RRBs.

#### **Smuggling of Cardamom from Guatemala**

518. PROF. P.J. KURIEN: Will the Minister of FINANCE be pleased to state:

- (a) whether it has come to the notice of the Government that low quality cardamom from Guatemala is smuggled into India;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to stop such activity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Intelligence reveals smuggling of Cardamom of third country origin especially from Indo-Nepal border into India. It is, however, not possible to estimate the details of such smuggling. Field formations are, alert to detect and prevent smuggling of cardamom and other spices.

#### **Write off Loans**

519. SHRI SATYA PAL JAIN:

SHRI R.L. BHATIA:

SHRI SUKHBIR SINGH BADAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether any representation has been received by the Union Government from the Government of Punjab in regard to writing off the loan received by it from the Union Government to deal with terrorism;
- (b) if so, the details thereof; and
- (c) the reaction of the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The State Government has submitted a number of requests for additional assistance including repayment of the outstanding Special Term Loans advanced to the State during the period of militancy (from 1984-85 to 1993-94). The matter is being processed for final decision.

[Translation]

#### **Silk Yarn**

520. SHRI DATTA MEGHE: Will the Minister of TEXTILES be pleased to state:

- (a) the total production of silk yarn in Maharashtra during the last two years;
- (b) whether the State has a vast potential of producing and exporting silk yarn; and

(c) If so, the steps taken to boost the production and export of silk yarn?

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

(a) The total production of silk yarn in Maharashtra during the last two years is as under:-

I. Mulberry Raw Silk (In M. Tonnes)

Year	Quantity
1995-96	14
1996-97	12

II. Tasar Raw Silk (In Tonnes)

Year	Quantity
1995-96	1
1996-97	1

(b) and (c) Silk yarn export from India were negligible in 1995-96, 1996-97. The value of silk yarn exported was only Rs. 0.44 crores and Rs. 0.54 crores against the total export for Rs. 846 crores and Rs. 880 crores respectively. Most of the silk yarn exports are of yarn made from silk wastes and no mill is producing such yarn has been set up in the State of Maharashtra.

[English]

**Law Ministers' Conference**

521. SHRI NAMDEO DIWATHE:

SHRI SANDIPAN THORAT:

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

(a) whether a Conference of State Law Ministers was recently held in New Delhi;

(b) If so, the details of the agenda discussed and major decisions taken thereat;

(c) the details of time bound action plan finalised for 1997-98; and

(d) the status of various legal reform process initiated in the recent past and suggestions/proposals received from the Government of Maharashtra along with the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Yes, Sir.

(b) A copy of the agenda of the Law Ministers' Conference is attached as statement. The major decision taken in the meeting are:

1. To amend the Code of Criminal Procedure broadly on the lines of recommendations made by the Law Commission in its 154th Report;

2. To amend the Code of Civil Procedure to avoid delay in completing procedural requirements and to promote alternative dispute resolution mechanisms;

3. To launch State-wise drive for one year with effect from 15 August, 1997 for holding Lok Adalats on quarterly basis to help reduce pendency of cases;

4. To restore position with regard to appointment of Judges as it existed prior to 1993 Supreme Court's decision in the case of Advocates on Record Association Vs. Union of India;

5. To take up review/repeal of obsolete laws on priority basis;

6. Making available legal information like Central enactments and decided cases on internet for easy accessibility; and

7. To amend Advocates Act, 1961 & Notaries Act, 1952.

(c) A time bound programme for one year commencing from 15 August, 1997 for holding Lok Adalats on quarterly basis in all States/Union Territories to help reduce pendency of cases has been drawn up.

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

**Statement**

*Agenda of the Law Ministers Conference 1997*

1. Amendments to the Cr. P.C.

2. Amendments to the C.P.C.

3. Reduction of arrears in courts; All India Judicial Service; and Appointment of Judges.

4. Alternative Dispute Resolution; NALSA, Lok Adalats; Delimitation of Constituencies; Advocates Act; Notaries Act; and Related Issues.

5. Repeal/Review of obsolete laws; Plain language in legal drafting; etc. Computerisation of legal information.

**Loss Suffered by Indian Bank**

522. SHRI ANANT KUMAR HEGDE. Will the Minister of FINANCE be pleased to state:

(a) the amount of loss suffered by the Indian Bank during 1995-96 & 1996-97;

(b) whether the Government/RBI have taken or propose to take any steps for improving the performance of the bank; and

(c) If so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Indian Bank has reported a net loss of Rs. 1336.40 crores during the year 1995-96 (year ended 31.3.96). The bank is yet to finalise its accounts for the year ended 31.3.97.

(b) and (c) As the bank's performance during the year 1995-96 was not satisfactory the following suggestions were made to the bank by Reserve Bank of India (RBI);

(i) Bank should constitute a special task force to make sustained efforts for mobilisation of deposits and take concrete steps to recover NPAs so as to improve its profitability.

(ii) Monthly status report on the progress of recovery in the major NPA accounts/review of staff accountability should be furnished to RBI.

(iii) Treasury management/house keeping should be improved.

(iv) The functioning of overseas branches should be closely monitored. Indian Bank has initiated the following measures for improving their performance:

- (i) Increasing core deposits.
- (ii) reducing financial mismatch.
- (iii) improving credit management.

(iv) recovery of NPAs—the bank has formed a Settlement Advisory Committee for finalising compromise proposals.

(v) improving house keeping.

#### **IBA Envisage on Computerisation of Bank**

523. SHRI RAMSAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether at the time of signing the settlement on computerisation by the IBA with the unions during 1993, it was envisaged that around 2800 branches would be fully computerised by June, 1996;

(b) if so, the reasons for the progress being rather slow and currently there being only 1400 branches fully computerisation; and

(c) by when the remaining 1400 branches proposed to be computerised fully?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) In view of the industry level agreement by Indian Bank's Association (IBA) in October, 1993 with the Employees' Federation, all banks were to take up full computerisation of their branches in a phased manner. As per the information furnished by Reserve Bank of India (RBI), 2197 branches of Indian public sector banks have been fully computerised upto 31st March, 1997. The process of computerising more branches is an ongoing process.

#### **Visiting of Officers of GIC Abroad**

524. SHRI SOUMYA RANJAN: Will the Minister of FINANCE be pleased to state:

(a) the names of Chairman of General Insurance

Corporation and Chairman of its (GIC's) four subsidiary companies who went abroad during the last three years and names of the countries visited alongwith their departure and arrival dates, country-wise;

(b) the purpose of their visit and expenditure incurred in foreign exchange in each case;

(c) the details of tours undertaken by the Chairman and Director of each subsidiary company of GIC from Mumbai to Delhi during the last three years; and

(d) the purpose of their visit to Delhi and expenditure incurred on them in each tour?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The information is being collected and will be laid on the Table of the House.

[Translation]

#### **Bank Branch at Thrimuhani Ghat, Badeda**

525. SHRIMATI SUBHAWATI DEVI: Will the Minister of FINANCE be pleased to state:

(a) whether the Thrimuhani Ghat, Badeda, Darbhanga (Bihar) has fulfilled all the conditions stipulated by the Government to open a branch of a bank;

(b) if so, the reasons for not opening the said branch of bank there so far; and

(c) if not, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI) has reported that Thrimuhani Ghat, Badeda is an unbanked rural centre. Under the extant Branch Licensing Policy, the need for opening a branch at a particular centre is left to the judgement of the bank to which the centre/village is allocated under the scheme of service area approach to rural lending. The banks proposals for opening rural branches within their respective service areas are required to be duly recommended by the concerned State Governments and forwarded to RBI for prior approval. Such proposals are considered by RBI on merits of each case. RBI have further reported that they have not received any application for opening a branch at Thrimuhani Ghat, Badeda.

#### **Achievements of PSUs**

526. SHRI SHATRUGHAN PRASAD SINGH:

SHRI BASUDEB ACHARIA:

Will the Minister of INDUSTRY be pleased to state:

(a) the details of achievements made by the Public Sector Undertakings during the last three years;

(b) whether the importance of Public Sector Undertakings has been decreasing due to external and other pressure;

(c) If so, the details thereof; and

(d) the steps being taken by the Government to boost the PSUs?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) There are various parameters to assess achievements of PSUs. A summary of achievements made by Central PSUs in terms of financial parameters during last 10 years is given in Table 1.13 at pages 19 and 20 in Volume-I of Public Enterprises Survey, 1995-96 laid in Parliament on 5.5.1997.

(b) No, Sir.

(c) Does not arise.

(d) Improving the performance of public sector enterprises is a continuous process. Some of the measures taken by the Government to boost the performance of PSUs include signing of MOUs with public enterprises, periodic performance review by the administrative Ministries, delegation of enhanced powers to Board of Directors and their professionalisation, reduction of surplus manpower through VRS, technology upgradation etc. Government have also decided to grant more managerial and financial autonomy to 9 PSUs coined 'Nav-Ratna', apart from enhancing financial power to PSUs Board to incur capital expenditure.

#### Election of Persons having Criminal Background

527. KUMARI UMA BHARATI:

SHRI ANAND RATNA MAURYA:

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

(a) whether there is any proposal under consideration of the Government to prevent persons having criminal background from contesting the elections;

(b) if so, the main features of the proposal; and

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

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) section 8 (a) of the Representation of people Act, 1951 disqualifies a person on conviction for certain offences mentioned in the section. This section also provides that any person convicted of any offence and sentenced to imprisonment for not less than two years shall be disqualified from the date of such conviction and shall continue to be disqualified for a period of six years since his release. In view of these provisions, there is, at present, no proposal to amend election laws in this regard.

(b) and (c) Do not arise.

[English]

#### Cotton Spinning Mills in U.P.

528. PROF. OMPAL SINGH 'NIDAR': Will the Minister of TEXTILES be pleased to state:

(a) the names of the places in Uttar Pradesh where cotton spinning mills are situated and the production capacity thereof;

(b) whether the cotton spinning mills in the State are utilising their full capacity;

(c) if not, the reasons thereof; and

(d) the steps taken by the Government for smooth functioning of these mills?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (d) The cotton/man-made fibre spinning mills in Uttar Pradesh are mainly in Allahabad, Azamgarh, Raebareilly, Hathras, Mirzapur, Bulandshahar, Etawah, Maghar, Bijnor, Amroha (Moradabad), Baheri (Distt. Bareilly), Mau-Aima (Distt. Allahabad), Mahmoodabad Sitapur, Bahadurganj, Kampil (Distt. Farrukabad), Fatehpur, Mathura, Meerut, Ghaziabad, Moradabad, Dehradun, Nainital, Sahibabad, Modinagar, Faizabad, Barabanki, Jhansi, Hardoi, Ballia, Jaunpur and Banda. The installed capacity of 64 mills as on 31.3.97 is 1898318 spindles, 6072 rotors and 11567 looms. The private sector spinning mills other than those lying closed are generally utilising their capacity.

Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to enquire into the working of sick industrial companies and to prepare and sanction, as appropriate, schemes for their revival.

#### Allocation for Handloom Sector

529. SHRI N. DENNIS:

SHRI RAJKESHAR SINGH:

SHRI R. SAMBASIVA RAO:

SHRI VIRENDRA KUMAR SINGH:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are contemplating making a higher allocation for the handloom sectors;

(b) if so, the details thereof;

(c) whether the Government also propose to formulate any scheme for modernisation of looms in addition to the provision for such modernisation in the exiting Handloom Development Centres;

(d) if so, the total amount released by the Union Government to the State Governments for implementation of various schemes in the handloom sector during the Eighth Plan;

(e) to what extent production of handloom cloth had increased up during 1996-97; and

(f) the allocation of funds to be made for handloom sector during the Ninth Five Year Plan?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) Yes Sir. As against the expenditure of Rs. 87.55



crores during 1996-97 under Plan Head, a sum of Rs. 110 crores has been allocated for 1997-98 for the handloom sector.

(c) Yes Sir. The Project Package Scheme inter-alia envisages release of assistance for modernisation of looms.

(d) A sum of Rs. 263.32 crores was released to various State Governments and UTs under Plan Schemes during the VIIIth Plan period.

(e) During the VIIIth Plan, the handloom cloth production had increased from 5219 million Sq. mtrs. in 1992-93 to 7235 million sq. mtrs. in 1996-97 registering an increase of 38.6%.

(f) The Ninth Five Year Plan provision for Handloom Sector has not been finalised by the Government.

#### Foreign Exchange Dealers

530. SHRI BANWARI LAL PUROHIT: Will the Minister of FINANCE be pleased to state:

(a) whether the revenue intelligence agencies have launched a countrywide investigations into the working of many foreign exchange dealers;

(b) if so, the reasons therefor and the details thereof; and

(c) the steps taken by the Government to curb the illegal activities of such foreign exchange dealers?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) No, Sir. However, during 1996-97 the Enforcement Directorate has initiated investigations against 11 authorised dealers/money changers in the cases relating to suspected violations of the provisions of Foreign Exchange Regulation Act, 1973 (FERA).

(c) The Government keeps a constant vigil to keep a check on the illegal activities of the foreign exchange dealers.

#### CBI Enquiry Against IOB

531. SHRI MANGAL RAM PREMI: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4392 dated March 21, 1997 regarding "CBI enquiry against IOB" and state:

(a) whether the information has since been collected;

(b) if so, the details thereof;

(c) the action taken thereon;

(d) the number of officers in the private and public sector banks who have been issued show cause notices for not following the laid down norms of RBI and/or for showing negligence in performing their duties; and

(e) the action taken/proposed to be taken against such officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Certain clarifications have been sought in respect of information furnished by the Indian Overseas Bank for fulfilling the assurance given in response to Unstarred Question No. 4392 dated March 21, 1997.

(d) and (e) The present data reporting system in the Reserve Bank of India does not generate information asked for in the Question. However, the information relating to action taken against delinquent employees of public sector banks for their involvement in frauds during the years 1994, 1995 & 1996 is given below:-

	1994	1995	1996
(a) No. of employees convicted	50	33	46
(b) No. of employees dismissed/ discharged/removed	360	301	331
(c) No. of employees awarded major/minor penalty	1248	1160	1207

[Translation]

#### Supply of Coal

532. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to refer to reply given to unstarred Question No. 3314 on March 14, 1997 and state:

(a) whether the Ministry has sent the above proposal to the Standing Convention Committee (long term);

(b) if so, the time by which the process for supply of Coal is likely to be completed; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (c) Damodar Valley Corporation had earlier proposed to set up 4 x 210 MW capacity Malthan Right Bank TPS and coal supply had been agreed to from Bharat Coking Coal Ltd. sources. The capacity of this TPS has now been upgraded to 1000 MW (4 x 250 MW) and the request of DVC for long-term linkage for this TPS has been received in the Ministry of Coal in February, 1997. The proposal of DVC would be considered by the Standing Linkage Committee (Long-Term), alongwith others, in the meeting proposed to be held in the first week of August, 1997.

[English]

#### Vacant Highest Posts in Public Financial Units

533. PROF. AJIT KUMAR MEHTA: Will the Minister of FINANCE be pleased to state:

(a) the public sector financial units in which the highest posts are presently lying vacant;

- (b) the reasons therefor; and  
 (c) the measures taken by the Government to solve the problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) At present the posts of Chairman and Managing Director, Export-Import Bank of India and Chairman and Managing Director, United India Insurance Company Limited are lying vacant.

(b) and (c) Action has already been initiated for filling up these posts.

#### RRB, Rajasthan

534. SHRI MAHENDRA SINGH BHATI: Will the Minister of FINANCE be pleased to state:

(a) the number of location of the Regional Rural Banks (RRBs) functioning in Rajasthan;

(b) the main objectives of these banks and the extent to which these objectives have been achieved during 1995-96, 1996-97;

(c) whether some of these banks are facing financial crisis;

(d) If so, the reasons therefor; and

(e) the measures taken by the Government to improve the performance of the above banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There are fourteen (14) Regional Rural Banks (RRBs) operating in Rajasthan with their headquarters located at Jaipur, Pali, Sikar, Churu, Bharatpur, Sawai Madhopur, Kota, Udaipur, Jodhpur, Bundi, Bhilwara, Dungarpur, Sriganganagar and Bikaner.

(b) The main objectives of the RRBs are to take the banking services to the door steps of rural masses particularly in hitherto unbanked areas, to make available institutional credit to the weaker sections of the society, to mobilise rural savings and channelise them for supporting productive activities in the rural areas, to create supplementary channel for flow of credit from the central money market to the rural areas through refinance, to generate employment opportunities in rural areas and to bring down the cost of purveying credit in rural areas.

The details of deposits mobilised, loans disbursed and loans outstanding of RRBs in Rajasthan are given below:-

(Rs. in crores)

Year	Deposits	Loans disbursed	Loans outstanding
1993-94	555.01	68.06	226.85
1994-95	697.66	106.72	279.09
1995-96	888.98	155.76	350.30

(latest available)

(c) to (e) The financial position of the RRBs is weak and the reasons for losses include, inter-alia, limited area of operation, low business potential, the then prevailing administered interest regime, high staff costs, low productivity and poor recovery performance.

As a part of revamping RRBs during the last three years, five (5) RRBs in Rajasthan have been provided recapitalisation support by the Government to an extent of Rs. 26.72 crores (representing Government of India share of 50%) for cleansing of their balance sheets. Other steps taken to strengthen RRBs include, inter-alia, widening the range and scope of services, relocation of loss making branches of better locations, preparation of bank specific development action plans and finalisation of Memoranda of Understanding (MOUs), accessibility to profitable avenues of investment, application of prudential accounting and provisioning norms and total deregulation of interest rates w.e.f. 26.08.1996. Further, with a view to impart viability to lending operations of RRBs and to bring about uniformity in approach on lending alongwith Commercial Banks, Reserve Bank of India (RBI) have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector should constitute 40% of their outstanding advances as in the case of Commercial Banks.

#### Foreign Funds for Core Sector

535. SHRI T. GOPAL KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government plays an active role to woo foreign funds for the core sectors;

(b) if so, the action taken by the Government in this regard during the last one year; and

(c) the other steps taken to promote investment and trade flows?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir. Government have taken several measures to encourage trade's investment in the core sector.

(b) The action taken in this regard by the Government are:

(i) Automatic approval upto 51% of foreign equity in high priority industries.

(ii) Automatic approval upto 50% foreign equity in 3 categories of industries/items relating to mining activities.

(iii) 74% of foreign equity in 9 categories of industries/items.

(iv) Substantial flexibility has been given to Indian corporates in the matter of accessing the global market through Global Depository Receipts (GDR)/foreign currency convertible bonds (FCCB).

(v) FIs have also been permitted to invest in unlisted companies with a view to attracting such investments in infrastructure sector.

(c) To promote trade and investments joint trade committee meetings are held on regular basis and issues of bilateral interests are discussed to facilitate trade and investment. Export Promotion Councils are encouraged to participate regularly in exhibitions/fairs etc. They also organise buyer-sellers' meets. EXIM Policy is also suitably modified with focus on export growth.

[Translation]

### **Agricultural Export**

536. SHRI VIRENDRA KUMAR SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the details of schemes for the promotion of agricultural export under the export import policy;

(b) whether the number of farmers amongst the exporters are negligible;

(c) if so, the details thereof;

(d) whether there is any proposal to attract the interest of farmer in export; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) A number of policy changes have been introduced to make agricultural exports more viable. Lowering of import duties on capital goods particularly for greenhouse equipment and plant and machinery necessary for food processing industries has favoured agricultural exports. Most of the restrictions on agricultural exports have been removed. Only two items in the category of agricultural and food products are in the negative list i.e. beef and tallow. The items on the restricted list have been drastically pruned and very few items now remain subject to either licensing or quantitative ceiling.

The Export Policy is constantly being updated and further liberalised. Recent changes introduced include:-

1. Export of sugar has been decanalised.
2. Zero duty in case CIF value is Rs. 5 crores or more for agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, viticulture, poultry and sericulture with export obligation of 6 times CIF value of CG on FOB basis or 5 times CIF value of CG on NFE basis with export obligation to be met in 6 years.
3. Permitting 50% of the production to be sold in Domestic Tariff Area.
4. Entitlement of Special Import Licence (SIL):
  - 2% additional SIL for export of products manufactured by units registered as SSI provided export of these items is more than 50% of the export during that period.
  - 1% additional SIL for export of fruits, vegetables, floriculture and horticulture products provided export of

these items is more than 10% of the export during that period.

1% additional SIL for export of products manufactured in the North East provided export of these items is more than 10% of the export during the period.

(b) to (e) No separate data is maintained for the farmers registered as exporters. However, to encourage farmers to participate in the export efforts, the Commodity Boards and the Export Promotion Councils are periodically advised to give wide publicity to the export promotion efforts of the Government.

### **Poor Performance Over Recovery**

537. SHRI SONTOSH MOHAN DEV:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Finance Minister called a review meeting during the month of May, 1997 to tackle with the problems of the past dues, a large chunk of which is owed by the corporates and the businessmen;

(b) whether the Finance Minister has also taken up the issue of Banks' poor performance over recovery of non-performing assets;

(c) if so, the details of the review meeting; and

(d) whether a memorandum was submitted to Finance Ministry by the Directors attached to the UCO Bank, Central Bank and other banks urging them to intervene in the debt recovery process?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Finance Minister had a meeting on 21.5.97 regarding functioning of Debts Recovery Tribunals (DRTs) and their outstanding issues so that recovery of dues in respect of suits filed by the Banks can be expedited. Performance of individual Banks in recovery of dues was not the subject of this meeting.

(d) No, Sir.

### **Internal Audit System**

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

(a) the number of times the RBI and the internal auditors of the banks inspected private and public sector banks during the last three years and the outcome of such inspections, bank-wise/branch-wise alongwith findings thereof;

(b) the action taken on the findings of the RBI and the internal auditors; and

(c) the reasons for the bunglings/frauds which continue to take place in the banks in spite of the regular inspections/visits of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There are more than 60,000 bank branches in the country and the schedule of audits/inspection is determined by the banks/RBI. It would not be possible to indicate all branch-wise details in reply to a question as the information would be far too voluminous. Reserve Bank of India (RBI) have reported that as per the present policy with regard to on-site inspection of banks, the public sector banks are inspected every year. Private sector banks are also inspected every year. However, private sector banks with good rating are inspected at an interval of 1 to 1 1/2 years. Inspection of branches are taken up on selective basis. Besides, internal audits are carried out by the banks themselves. The focus of RBI inspection, inter-alia, is to assess compliance by banks with instructions/guidelines issued by RBI as well as the policies and procedures laid down internally by the management of the banks themselves. Where necessary, RBI also carry out special scrutiny in cases of serious irregularities coming to notice.

Inspection reports are voluminous documents and it is not feasible to chronicle all the findings in response to a question. Broadly, however, the irregularities observed may pertain to areas like deposits (including certificates of deposits) internal control, investments, window-dressing, stock invest scheme, credit management (pre-sanction appraisal, post disbursement follow up, security aspects, transgression of discretionary powers etc.) non-adherence to prudential limits, advances against selective commodities, advances against shares, review/renewal of credit limits, write-off of bad debts, bills, portfolio, non-fund based facilities, hiring of premises, consortium of lending, house-keeping (including inter-branch reconciliation blarcing of books, clearing adjustment account), provisioning etc.

(b) Based on the findings of the inspection, follow-up action is taken by RBI. After obtaining the comments of the bank on the inspection reports, the management of the bank (Chief Executive Officer and his executive team) are called for a discussion for identifying the steps required to be taken for eradicating the deficiencies. The bank's progress in implementing the agreed follow-up action plan is monitored.

(c) Frauds take place in banks either on account of systemic deficiencies or on account of non-compliance of prescribed procedures and rules.

#### **Civil Procedure Code**

539. SHRI SUBRAHMANYAM NELAVALA:

DR. T. SUBBARAMI REDDY:

SHRIMATI BHAVANA BEN

DEVRAJBHAI CHIKHALIA:

DR. VALLABH BHAI KATHIRIA:

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

(a) whether a three days' Conference on Civil Code was held in Goa in May, 1997;

(b) if so, the outcome thereof;

(c) whether the Government propose to amend the Civil Procedure Code for early dispensation of civil justice in the country;

(d) if so, the details of the amendments proposed; and

(e) the time by which these amendments are likely to be introduced?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) The Central Government and the Government of Goa did not hold any such conference.

(b) Does not arise.

(c) to (e) A proposal for the amendment of the Code of Civil Procedure, 1908 and the Limitation Act, 1963 to streamline administration of Civil Justice System is under active consideration and a Bill in this regard may be brought soon before Parliament.

#### **High Level Meeting on CRB Scam**

540. SHRI SANAT MEHTA: Will the Minister of FINANCE be pleased to state:

(a) the decisions taken in a high-level meeting held by the Finance Minister to review the situation arising out of scam created by CRB Capital Markets Ltd. wherein officers of RBI and CBI were present;

(b) whether it was able to assess about the amount which would be recovered from C.R. Bhansali after his arrest; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The developments relating to CRB Capital Markets Ltd. have been reviewed by the Government in a number of meetings. Government has asked the regulators, i.e., Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB Capital Markets Ltd. At the operative level in inter-departmental group comprising representatives of Central Bureau of Investigation (CBI), RBI, SEBI and the State Government has been constituted to ensure concerned action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies.

(b) and (c) RBI has filed a winding up petition under Sec. 45 MC of the RBI Act in the Delhi High Court. The Delhi High Court has appointed a provisional official liquidator who has initiated action to crystallize the assets and liabilities of the Company. The Official Liquidator is being assisted by the officials of RBI, CBI and some public sector banks in this regard.

[Translation]

#### Pending Cases in GIC

541. SHRI PAWAN DIWAN: Will the Minister of FINANCE be pleased to state:

(a) the total number of documents/claims pending in four subsidiary companies of General Insurance Corporation as on June 30, 1997, company-wise;

(b) whether the Government propose to make a provision in the policy bond that in case of delay in issuance of documents or disposal of claims, payment of interest @ 18% annually on premium amount recovered will be made in regard to claims disposed of or as the case may be; and

(c) whether the Government also contemplate to make indiscipline employees answerable for delay in issue of documents or payment of claims keeping in view the improvement in the service industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As per the information furnished by General Insurance Corporation of India the total number of documents claims pending (company-wise) as on 30.6.97 is as under:

No. of Documents/Claims Pending as on 30.6.97

(Provisional)

	Documents	Claims
National	4,69,301	1,71,110
New India	3,94,079	2,33,767
Oriental	5,11,039	2,19,411
United India	6,12,214	1,74,999
Total	19,86,633	7,99,287

(b) No such proposal is under consideration.

(c) General Insurance Industry has a well established procedure to deal with indiscipline and other misconduct by the employees under the General Insurance Conduct, Discipline and Appeal (CDA) Rules.

[English]

#### Touts for Smooth Business

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

(a) whether attention of the Government has been invited to the news-item captioned, "For smooth business, turn to touts", appearing in the Hindustan Times dated June 4, 1997;

(b) if so, the facts and details thereof; and

(c) the steps taken by the Government to check the menace of touts in the Reserve Bank of India in the interest of general public?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) and (c) Reserve Bank of India have stated that the transacting of business by touts/professional dealers in the banking hall of RBI, New Delhi is not permitted. RBI have taken the following measures in this regard:

(i) The security staff posted in the banking hall are instructed to be always vigilant.

(ii) The Manager (Security) who is stationed in the Banking Hall takes frequent rounds to ensure smooth and orderly transaction of business at the counters.

(iii) The security staff and staff working on the counters have been instructed not to allow anyone to stand in queue once he/she has got the notes/coins in exchange.

(iv) The security staff from the Bank as well as police personnel from the Parliament Street Police Station have been posted in the hall for maintaining law and order and they ensure smooth working of the counters.

(v) All the customers standing in the queue are issued coins at the counters till close of the banking hours consistent with the stock position.

#### Committee to Review Guidelines for PSEs

543. SHRI SUNDER LAL PATWA:

SHRI G.A. CHARAN REDDY:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to set up a four member committee to review the existing guidelines issued by the erstwhile Bureau of Public Enterprises for Public Sector Enterprises;

(b) if so, the main points referred to this committee;

(c) the composition of the committee;

(d) the time by which the committee is likely to submit its report; and

(e) whether the purpose of setting up of this committee is to make PSEs more efficient, competitive and autonomous?

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

(b) To review the existing guidelines issued by BPE/DPE for PSEs and to recommend cancellation, redrafting and/or simplification with the objective of eliminating or modifying guidelines which are no longer necessary or relevant.

(c) The Committee is headed by the Chairman, Public Enterprises Selection Board and includes Chairman & Managing Director of Indian Oil Corporation Ltd.; Chairman, SCOPE and Joint Secretary, Deptt. of Public Enterprises as its Member Secretary.

(d) Three Months.

(e) The rationalisation and simplification of guidelines would lead to greater operational freedom for the PSEs and is a part of the overall approach of the Government to make the public sector more efficient, competitive and autonomous.

#### Health Care Facilities in Coalfield Areas

544. DR. KRUPASINDHU BHOI: Will the Minister of

COAL be pleased to state:

(a) whether Government propose to expand health care facilities for the employees/workers engaged in different coal fields;

(b) if so, the steps taken by different coal companies in this regard during last three years; and

(c) the new hospitals/dispensaries proposed to be set up by different coal companies during the Ninth Plan?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Yes, Sir.

(b) The position of medical facilities and related infrastructure available during the last three years is given in the attached statements I, II and III.

(c) During the 9th Five year plan, 7 hospitals and 13 dispensaries are proposed to be set up in the subsidiaries of CIL.

#### Statement-I

*Medical facilities of coal India Ltd. subsidiaries as on 31.3.1995*

Facilities	ECL	BCCL	CCL	WCL	SECL	NCL	MCL	NEC	Total
1. Hospitals	13	15	19	10	18	5	2	2	84
2. Beds	1285	1219	882	711	947	273	90	132	5539
3. Dispensaries	132	100	86	45	43	11	9	6	432
4. Ambulances	148	117	121	90	83	38	28	8	633
5. Specialists	49	76	30	72	83	30	15	9	364
6. Total Doctors	338	376	306	201	293	98	56	25	1693

#### Statement-II

*Medical facilities of coal India Ltd. subsidiaries as on 31.3.96*

Facilities	ECL	BCCL	CCL	WCL	SECL	NCL	MCL	NEC
1 2	3	4	5	6	7	8	9	10
1. Hospitals	13	15	19	10	18	2	5	2
2. Beds	1315	1219	882	711	947	90	354	132
3. Dispensaries	135	100	67	47	45	9	11	6
4. Ambulances	151	117	132	92	95	28	38	8
5. Specialists	43	108	86	74	70	12	38	8
6. Lady Medical Officers	36	56	75	19	64	14	—	4
7. GDMO/Sr.MO/ Dy. MS/MS	284	281	157	106	226	49	68	18

1	2	3	4	5	6	7	8	9	10
8.	Total Doctors	336	376	318	199	296	75	108	23
9.	Male/Female	282	49/291	273	231	300	71	90	24
	Nursing Staff								
10.	X-Ray Unit								
	(a) 1000 MA/MC	—	01	Nil	—	700MA-1	01	01	Nil
	(b) 500 MA/MC	—	06	1	3	02	N.A.	—	—
	(c) 300 MA/MC	—	06	15	9	11	3	01	1
	(d) Less than								
	300 MA/MC	—	20	7	9	12	4	—	2

## Statement-III

Medical facilities of CIL subsidiaries as on 31.3.97

Facilities	ECL	BCCL	CCL	SECL	WCL	MCL	NCL	NEC
1. Hospitals	13	13	19	18	10	5	2	2
2. Beds	1313	1236	391	997	711	354	90	132
3. Dispensaries	135	100	67	47	31	15	9	6
4. Ambulances	148	117	132	102	92	38	28	7
5. Specialists	41	68	90	81	81	40	12	0
6. Lady Medical								
Officers	38	53	73	0	22	0	14	0
7. G.O.M.O./								
Sr. M.O./								
Dy. M.S./M.S.	290	368	165	64	117	0	49	0
8. Total Doctors	340	368	334	309	220	120	75	22
9. M/F Nursing	303	340	290	317	216	0	71	25
Staff								
10. Total								
Paramedical								
Staff	856	601	888	530	679	NA	NA	NA
11. X-Ray Unit								
1000 MA	0	1	0	0	0	1	1	1
700 MA	0	0	0	0	0	0	0	0
500 MA	1	6	1	2	3	0	0	1
300 MA	13	7	13	11	11	1	3	1
Less than								
300 MA	7	20	7	12	3	0	4	0

*[Translation]***Loan to Industries**

545. SHRI PANKAJ CHOWDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that adequate loan is not being provided to the industries by the banks at the reasonable rate;

(b) if so, the reasons therefor;

(c) whether the Government have formulated any scheme to make available adequate loan to the industries by the banks at reasonable rate; and

(d) if so, the details thereof?

THE MINISTRY OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As reported by Reserve Bank of India (RBI), during the current financial year upto June 6, 1997, non-food credit of scheduled commercial banks has declined by Rs. 1,673 crores as against a decline of Rs. 6,253 crore last year. However, banks' investments in commercial paper/bonds/debentures/shares of PSUs/Corporate sector and bills rediscounted have increased by Rs. 2,392 crore upto June 6, 1997 during this year as against Rs. 698 crore upto June 7, 1996 last year. Thus, the total flow of bank funds to commercial sector has increased by Rs. 720 crore during the current financial year upto June 6, 1997 as against a decrease of Rs. 5,555 crore during the corresponding period last year, registering a turnaround of Rs. 6,275 crore.

RBI have further reported that interest rates have shown a definite and perceptible decline since mid-April 1997 across all maturities and instruments, including Dated Government Securities, Treasury Bills, Certificates of Deposits and Commercial Papers. Treasury Bills, Certificates of Deposits and Commercial Papers. The Prime Lending Rates of most banks have been reduced by one to one and a half percentage points.

(c) and (d) In April, 1997 RBI have taken several measures to ensure availability of adequate bank credit to support the growth of the real sector and to ensure that banks brought down the lending rates. According, the banks Rate was reduced from 12.0 per cent per annum to 11.0 per cent per annum and further to 10.0 per cent per annum with effect from the close of business on June 25, 1997.

Measures were also taken by RBI to improve the credit delivery system and flow of resources to industry which include inter-alia withdrawal of stipulation of obligatory consortium system of credit to borrowers with credit limits of over Rs. 50 crore and freedom to banks to assess the working capital requirements of borrowers.

**Japanese Assistance**

546. SHRI AMAR PAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Japan has offered to give assistance for the development of Indian projects during 1997-98;

(b) if so, the details thereof;

(c) the amount of assistance and by when it is likely to be received; and

(d) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) The Government of Japan have pledged at the India Development Forum Meeting held in Paris on 24th June, 1997, the OECF loan assistance for 1997-98 for the following projects:-

(Yen million)

Sl. No.	Name of Project	Amount
1.	Simhadri and Vizag Transmission System Project	10,629
2.	Srisaillam Left Bank Power Station Project-III	14,499
3.	Dhauliganga Hydroelectric Power Plant Construction Project-II	16,316
4.	Bakreswar Thermal Power Station Project-II	34,151
5.	Tuticorin Port Dredging Project	7,003
6.	Punjab Afforestation Project	6,193
7.	Madhya Pradesh Sericulture Project	2,212
8.	Manipur Sericulture Project	3,962
9.	Rengali Irrigation Project	7,760
10.	The Small Scale Industries Development Programme-VI	30,000
Total		132,725

(c) The amount of assistance for each project is as per (b) above. The loan amount would be utilized depending upon the duration of each project which may vary from 3 to 7 years.

(d) The loan agreements for the above projects are expected to be signed sometimes in December, 1997/January, 1998 after conclusion of loan negotiations.

*[English]***NTC Mills, Tirupati**

547. SHRI K.S. RAYADU: Will the Minister of TEXTILES be pleased to state:



(a) whether the Tirupati Cotton Mills the foremost unit of the National Textiles Corporation in the State of Andhra Pradesh was not functioning for the last six to eight months;

(b) if so, whether the main reason is due to non-supply of cotton;

(c) if so, whether the mill was modernised recently by installing latest machinery of Rs. 10 crores;

(d) if so, the main reasons for not functioning of this textiles mills in Tirupati; and

(e) the steps taken by the Government to make it viable?

**THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):**  
(a) to (e) The Tirupati Cotton Mill, Renigunta is a unit of NTC (APKK&M). A sum of Rs. 5.83 crores has been spent on modernisation of the mill since nationalisation. This mill has been incurring losses and has not been functioning since December, 1996 due to inadequate modernisation and shortage of working capital. NTC (APKK&M) including Tirupati Cotton Mills was referred to and declared sick by the BIFR. On the basis of the report prepared by the Operating Agency, the BIFR published draft rehabilitation scheme, asking for certain reliefs and concessions from the Government. The last hearing of BIFR which was scheduled to be held in April, 1997 was postponed. Pending approval of the revival scheme by the BIFR, Government has been releasing funds to NTC for payment of wages and salaries to the employees of the mills. A mill wise viability study has been undertaken by the NTC, which is under the consideration of the Government.

#### **Comparative Study of Non-Performing Assets**

**548. SHRI MADHUKAR SARPOTDAR:**

**SHRI PRAKASH VISHWANATH PARANJPE:**

**SHRI SANTOSH KUMAR GANGWAR:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have made any comparative study of the incidence of non-performing assets (NPA) of nationalised banks vis-a-vis private sector banks;

(b) if so, details thereof;

(c) the amount of NPAs of various nationalised banks and private sector banks during the last three years with following details;

(i) Amount of NPAs;

(ii) its percentage in terms of the advance/loan made by the bank;

(iii) its percentage in terms of the profit/loss of the bank;

(iv) the level of recoverise, if any;

(d) which sector of national economy broadly account for these NPAs;

(e) whether there has been any failure of prudential norms resulting in growth of NPAs; and

(f) the steps taken or propose to take to bring down the NPAs?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ):** (a) to (d) The information is being collected and to the extent available will be laid on the Table of the House.

(e) According to Reserve Bank of India (RBI) the prudential norms prescribed by them have facilitated clear identification of NPAs of banks and have acted as a tool to bring transparency to the financial statement of public sector banks. There has been no failure of prudential norms which have resulted in the growth of NPAs.

(f) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks:

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted sacrifices/waiver etc.

2. Reduction of NPAs through compromise/write-offs, through negotiated settlements to ensure maximum recovery at minimum expense.

3. Two banks have been permitted to set up settlement Advisory Committees headed by a retired Judge of High Court to scrutinise compromise proposals and make objective recommendations.

4. Setting up of Recovery Cells at Head Quarter and fixing of branchwise targets for reduction in NPAs. Performance of branches in recovery to be monitored by Head Quarter on monthly basis and Board of Directors kept informed of the progress on quarterly basis. RBI also monitors reduction of NPAs.

5. Setting up of Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Jaipur, Chennai, Guwahati and Patna and an Appellate Tribunal in Mumbai.

6. Compilation and circulation of list of defaulters suit filed accounts.

7. Review of top 300 NPAs of Public sector banks with special reference to the system prevailing in the banks to fix staff accountability.

*[Translation]*

#### **Export Promotion Authority in U.P.**

**549. SHRI D.P. YADAV:** Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a good yield of mango this year in the country especially in Uttar Pradesh;

(b) If so, whether the Mango growers of the State are suffering heavy losses for want of proper marketing facility;

(c) If so, whether the Government propose to set up an Export Promotion Authority for Uttar Pradesh; and

(d) If so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) No estimates on production on mango available for the current season.

(c) No proposal to set up an Export Promotion Authority for Uttar Pradesh is under the consideration of the Government.

(d) Does not arise.

[English]

#### **Probe into Banks Collusion**

550. SHRI JAI PRAKASH: Will the Minister of FINANCE be pleased to refer to the answer given to Unstarred Question No. 533 dated November 22, 1996 regarding probe into banks collusion in shoe scam and state:

(a) whether the information has since been collected;

(b) If so, the details thereof; and

(c) the action taken by the Government in the matter against the banks that colluded with the firms in shoe scam giving the names of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The Reserve Bank of India (RBI) have reported that a communication has been received from Deputy Commissioner of Police, Mumbai stating that an offence under IPC has been registered against some leading shoe companies and various leather co-operative societies to investigate into the alleged misutilisation of finance meant for weaker sections of the society, such as artisans/cobblers co-operative societies. The Police has not referred to irregularities on the part of financing banks.

As desired by the Police authorities RBI, in January, 1997, has advised all concerned commercial banks to supply the details of transactions, from 1980 onwards, with any of the listed cobbler co-operative societies. RBI have also reiterated to the banks that while sanctioning/disbursing loans and advances and other facilities under priority sector to artisans/cobblers societies, they are expected to ensure that the applicants are genuine and are engaged in the activity for which the particular scheme is designed. Banks have also been advised that none of the procedures (including verification of genuineness of the

borrowing parties) laid down for grant of loans, advances should be overlooked merely because guarantees have been obtained therefor. It has also been reiterated to banks that they are expected to have an effective post-disbursement supervision and follow up of loans/advances to ensure the end use of funds lent.

#### **20 Sick CPSU Referred to BIFR**

551. SHRI HARIN PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether a delegation comprising some Members of Parliament and representatives of all Central Trade Unions met the Prime Minister last year and submitted a memorandum on 20 sick Central Public Sector Undertakings in the Centre which stands referred to BIFR;

(b) whether the Prime Minister had assured them that the status of the above PSUs would be reviewed and the action plan of the Government on each of the units would be announced shortly;

(c) whether the Government have no finalised any revival plan for these units;

(d) If so, the details thereof; and

(e) If not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per records available in the Prime Minister's Office, no delegation comprising of some Members of Parliament and representatives of Central Trade Unions met the Hon'ble Prime Minister last year (1996) to submit a Memorandum on sick Public Sector Undertakings (PSUs) referred to the Board for Industrial and Financial Reconstruction (BIFR). However, a Memorandum dated 9.5.1997 signed by Members of Parliament from West Bengal has been received by the Hon'ble Prime Minister regarding sick Central PSUs in West Bengal. Subsequently, a meeting was taken by the Hon'ble Prime Minister on 16.5.1997 in the above matter.

(c) to (e) The information is being collected and will be laid on the Table of the House.

#### **Indo-Pak Trade Relations**

552. SHRI GORDHANBHAI JAVIA:

SHRI BHIMRAO VISHNUJI BADADE:

Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to strengthen the Indo-Pak trade relations;

(b) If so, the details thereof; and

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

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) Yes, Sir. Government seeks an overall improvement in Indo-Pak relations including by strengthening trade between the two countries. The Joint Statement issued at Islamabad at the conclusion of foreign Secretary level talks between India and Pakistan in June '97, identified Economic and Commercial Cooperation as one of the subjects for future discussions with the objective of strengthening trade relations and it was decided to set up working groups at appropriate levels to address the various issues identified in this connection. The next round of Foreign Secretary level talks is scheduled to take place in September '97.

#### Jewellery Policy

553. SHRI NARAYAN ATHAWALAY: Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Revenue deptt. dilemma over gems, jewellery policy" appearing in the 'Hindustan Times' dated June 30, 1997;

(b) if so, the reaction of the Government to the observations made therein and the facts of the matter;

(c) the action taken by the Government in this regard; and

(d) the details of the proposals under consideration for making changes in EXIM policy and the present status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF

FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Yes, Sir. Interministerial discussions are an established procedure in the Government to arrive at decisions. Following such procedure, a large number of Notifications and instructions have been issued by Department of Revenue after the EXIM Policy for 1997-2002 was notified. Some other issues are under examination in consultation with the Ministry of Commerce.

#### Export Oriented Units

554. DR. M. JAGANNATH: Will the Minister of COMMERCE be pleased to state:

(a) the percentage of our exports through export processing zones and export oriented units during each of the last three years;

(b) the value contents of exports and imports of EPZs/EPU's during each of the last three years;

(c) the details of export processing zones and value of exports from each zone; and

(d) names of new export processing zones to be developed during the Ninth Plan?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) A Statement is attached.

(d) Keeping in view the availability of funds and the need to optimise the infrastructural facilities in the existing Export Processing Zones, there is no proposal, at present for Central Govt. to set up new Zones in the country. However, Export Processing Zones can now be established by State Governments or in joint/private sector.

#### Statement

Year	Exports made by Export Oriented Units (EOUs) and Units in Export Processing Zones (EPZs). (Rs. Crores)	Imports made by Export Oriented Units (EOUs) and Units and Export Processing Zones (EPZs) (Rs. Crores)	Percentage of EOU and EPZ exports in the total exports of the country
1994-95	7363.11	3077.28	8.90
1995-96	10229.88	5920.95	9.61
1996-97	12527.73	7015.48	10.42
(Estimated)			

Name of export processing zones and exports from each zone during the last three years:

Zone	1994-95	1995-96	(Rs. crores)
			1996-97 (Provisional)
Kandla FTZ	320.03	325.29	374.15
Santacruz	1549.46	1876.29	2176.30
Electronics EPZ			
Noida EPZ	367.00	496.89	586.53
Madras EPZ	281.38	391.92	992.42
Cochin EPZ	102.53	120.31	165.38
Falta EPZ	32.31	24.04	29.15
Vizag EPZ	0.40	0.89	-
Total	2653.11	3235.63	4323.93

[Translation]

#### Production of Coal

555. SHRI DEVI BUX SINGH: Will the Minister of COAL be pleased to state:

(a) the number of coal mines in the country; State-wise and location-wise;

(b) the per-day total production of coal in the said

mines; and

(c) the details of profit earned from the coal extracted from these coal mines during 1995-96 and 1996-97?

THE MINISTER OF STATE OF THE MINISTRY OF (SHRIMATI KANTI SINGH): (a) The number of coal mines of Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL), State-wise and company-wise are given below:-

Comp- any	Bihar	West Bengal	Orissa	M.P.	U.P.	Maha- rashtra	Assam	Megh- alaya	A.P.	Total
<b>CIL</b>										
ECL	18	106	-	-	-	-	-	-	-	124
BCCL	85	3	-	-	-	-	-	-	-	88
CCL	71	-	-	-	-	-	-	-	-	71
NCL	-	-	-	6	4	-	-	-	-	10
WCL	-	-	-	37	-	49	-	-	-	86
SECL	-	-	-	95	-	-	-	-	-	95
MCL	-	-	21	-	-	-	-	-	-	21
NEC/CIL	-	-	-	-	-	-	6	1	-	7
SCCL	-	-	-	-	-	-	-	-	71	71
Total	174	109	21	138	4	49	6	1	71	573

(b) The average per day production of coal in CIL and SCCL mines in 1996-97 has been 7 lakh tonnes and 0.89 lakh tonnes respectively.

(c) The profit earned and loss incurred by CIL and SCCL from the coal extracted from their respective coal mines during 1995-96 and 1996-97 are given below:-

Company	Year	Profit/Loss	
		(+) (-)	(Rs./Crores)
CIL	1995-96	(+) 608.04	
	1996-97	(+) 1042.10	(Provisional)
SCCL	1995-96	(-) 190.81	
	1996-97	(-) 177.21	(Provisional)

[English]

#### Export of Coffee

556. SHRI L. RAMANA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are aware of the news-item as appeared in the Asian Age dated June 17, 1997 captioned "Coffee sector can be world leader";

(b) if so, the details and facts of the news-item; and

(c) the steps taken to upgrade Indian Coffee industry in global markets?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Yes, Sir. The news item appeared in 'The Asian Age' is an extract of an interview given to the newspaper by independent coffee consultants, in which the consultants have emphasized the need for India to enter the 'gourmet' coffee producing group of countries in the background of changes in the modes of purchase sweeping the industry worldwide. They added that the coffee growers should be out branded, speciality coffees. The consultants have further advised the coffee producers in the country to concentrate on the cultivation of Robusta. They have further suggested that the gourmet coffee, which includes flavoured roast, must be subject to quality control prior to project and product authentication and registration of brand names. In addition to these, they have suggested Indian manufacturers to upgrade the existing facilities to minimize the level of pollution and have also emphasized the need for implementation of fair trade initiatives, complete deregulation and non-interference from the part of Government etc.

(c) The Coffee Board in India is responsible for advising growers and coffee industry on various aspects of quality maintenance of coffee grown and processed. Coffee Board have developed two gourmet varieties, namely Mysore Nuggets and Robusta Kaapi Royale. The Board is also participating in number of international fairs/events as a part of their constant endeavour to produce quality coffee to cater to the increasing demand in the international market. Further, for upgrading the Indian coffee industry in global market, the Board is focussing on selected country markets like USA, Japan. The Board participates in selected food fairs/exhibitions in these countries in active association with exporters, sponsors trade delegations/inviting delegation of roasters from each of the target markets to India, advertising in leading overseas trade journals, prints and circulates brochures on salient features of Indian coffee among the leading importers of Indian coffee and distributes coffee gift items in markets like Italy, Germany, Japan, USA.

#### Guidelines for Overseas Investments

557. SHRI SURESH KALMADI: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have liberalised the guidelines for overseas investments by Indian companies; and

(b) if so, the details of the new guidelines?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Yes, Sir. In addition to the existing fast track route under which RBI issues approvals for proposals of Overseas Investments upto US \$ 4 million on the basis of export track record, Government have introduced two new fast track routes for overseas investment in Joint Ventures and wholly owned Subsidiaries abroad by Indian companies where the investment is funded out of Exchange Earners Foreign Currency (EEFC) Account upto a maximum of US \$ 15 million and for investments upto 50% of Global Depository Receipts (GDRs) raised with the Government's approval.

Investments from balances in EEFC accounts would be permitted by Authorised Dealers (ADs). The ceiling of US \$ 15 million is inclusive of the ceiling of US \$ 4 million under the existing fast track. Investments under the two new fast track routes would also not be subject to the obligation of neutralising investment amount through remittance over five years.

#### Closure of Gauri Bazar Sugar Mills

558. LT. GEN. (RETD.) PRAKASH MANI TRIPATHI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Gauri Bazar Sugar Mills, an establishment under Cawnpore Sugar Works Ltd. has been closed for the last three years;

(b) whether the salaries to the workers of the mills have not been paid for the last eight months;

(c) if so, the steps taken by the Government to provide salaries to the employees of the mills and to release payment to farmers who supplied sugarcane to the said Unit during 1994-95; and

(d) the action taken by the Government to revive the said Mills?

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

(a) The sugar season 1995-96 could not be completed due to a major break down in the power house. During 1996-97 season, the operations have since been suspended considering the losses involved in operations.

(b) to (d) The sugar mills have paid wages and salaries upto Nov., 96. The Cawnpore Sugar Works Ltd. is trying to clear the dues of the workers and farmers by diverting funds from the other units of the company to the extent possible. Since Cawnpore Sugar Works Ltd. is not a public sector undertaking, the Government does not provide any budgetary support towards payment of salaries and sugarcane dues and has also not prepared any revival package for the mills. However, the revival of Cawnpore Sugar Works Ltd. is presently under consideration of the BIFR.

#### Tax Holiday

559. COL. SONA RAM CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have declared Five Year Income Tax Holiday to newly established industries in industrially backward areas on or after October 1, 1994 to March 31, 1999;

(b) whether the Government have accepted to declare 12 districts of Rajasthan as industrially backward districts;

(c) if so, the reasons for not declaring these 12 districts of Rajasthan so far as industrially backward districts, thereby denying the newly established industries five year income Tax Holiday; and

(d) the time by which the declaration in this regard is likely to be made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) to (d) The Finance Act, 1994-95 provides for 100% tax holiday for initial five years in case of industrial undertakings located in notified Industrially backward districts, if the undertaking begins to manufacture of produce articles or things or to operate its cold storage plant or plants from 1.10.1994 to 31.3.1999. This tax holiday is provided under Section 80-IA of the Income-tax Act, 1961. Two study groups were constituted in the Ministry of Finance for identification of industrially backward districts for the purposes of granting 100% tax holiday under Section 80-IA of the Income-tax Act. These study groups

submitted their reports in 1994 and 1996 respectively. The reports of these groups have been submitted to the Government and the same is under the consideration of the Government for notifying the industrially backward districts of the country.

#### Scheme for Development of Khadi and Cottage Industries in Orissa

560. SHRI MURALIDHAR JENA: Will the Minister of INDUSTRY be pleased to state:

(a) the details of the proposed new schemes for development of Khadi and Cottage Industries in Orissa;

(b) the kind of assistance being provided for setting up of such industries in the rural areas of the State;

(c) the name of schemes for which financial assistance is likely to be provided; and

(d) the other details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) In addition to the ongoing Khadi and Village Industry programmes such as Khadi Cotton, Khadi Woollen, Khadi silk, Polyvastra, cottage pottery, lime manufacturing, agarbatti, handmade paper, beekeeping, ghani oil food processing, cottage leather, etc., Khadi and Village Industries Commission (KVIC) propose to promote new schemes in Orissa, namely:-

1. Khadi muslin;
2. Processing of cereals & pulses industry (PCPI) units in paddy, masala, papad, rice, atta;
3. Fibre Processing industry units in rope-making, banana fibre production, tatapatti weaving, koragrass mat weaving;
4. Primary and Medium scale beekeeping units;
5. Laundry soap unit; and
6. Portable Power Ghani units.

(b) Apart from budgetary supports, KVIC is providing Consortium Bank credit to the implementing agencies such as State Khadi and Village Industries Board, recognised institutions and individual artisans in the State. Besides this, KVIC is also providing infra-structural facilities, technical assistance, training, up-to-date tools and equipments for promotion of Khadi of Khadi and Village Industries in the State.

(c) and (d) KVIC is committed to provide financial assistance to the ongoing and new Khadi and Village industries schemes.

#### Surplus Land of NTC

561. SHRI K.C. KONDAIAH: Will the Minister of TEXTILES be pleased to state:

(a) the total surplus land owned by the National Textile Corporation in Karnataka;

(b) whether the Karnataka Government had given permission to N.T.C. for the disposal of this surplus land;

(c) if not, the steps taken by the Government to get the permission from Karnataka Government to dispose of the surplus land; and

(d) the action proposed to be taken to utilise the amount realised from the sale of surplus land in Karnataka?

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

(a) The total surplus land owned by the NTC Mills in the State of Karnataka is 177.82 acres.

(b) Government of Karnataka has not yet given permission under ULCR Act for sale of surplus land of NTC Mills.

(c) The matter has been taken up with the Government of Karnataka.

(d) The proceeds from sale of surplus lands of NTC Mills would be utilised for modernisation of the NTC Mills.

#### Development of Handloom Sector in N.E. Region

562. SHRI ISWAR PRASANNA HAZARIKA: Will the Minister of TEXTILES be pleased to state:

(a) whether a high powered committee headed by a member of Planning Commission has recommended to the Centre a special package to assist the handloom sector in the North-Eastern Region;

(b) if so, the details thereto;

(c) whether the Government have accepted all or any of the recommendations; and

(d) if so, the funds proposed to be earmarked for the purpose in the current and coming years?

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

(a) and (b) The Committee has made special recommendations for the development of Handloom Sector in North-Eastern States for supporting in terms of training, Research & Development, input supplies, development of new designs, commercial production, Marketing, etc.

(c) The Government of India have accepted all the recommendations of the Committee.

(d) The releases of funds will be based on the viable proposals received from North-Eastern States.

#### Export of Cassia and Cloves

563. SHRI MULLAPALIY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are aware that large quantities of cloves and cassia are being imported into our country legally and illegally;

(b) whether any representation has been received from UPASI in this regard;

(c) if so, the reaction of the Government thereto; and

(d) the steps taken by the Government to expand and develop cloves and cassia cultivation as also their export?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Details of imports of cloves and cassia during the last 3 years are given below:-

(Qty. in MT, Value in Rs. Crores)

Items	1993-94		1994-95		1995-96 (P)	
	Qty.	Value	Qty.	Value	Qty.	Value
Cloves extracted	3452	7.44	1290	3.38	1892	5.33
Cloves not extracted	967	2.24	1217	3.24	1393	4.12
Cassia	5891	22.65	650	2.62	1254	5.19

(P) Provisional

Source: DGCI & S, Calcutta.

(b) No, Sir.

(c) Does not arise.

(d) In order to increase the production and productivity of tree spices including clove & cassia, the following programmes have been implemented through the State Horticulture-Agriculture Departments, during VIII Plan under Integrated Programme for Development of Spices with cent percent central assistance:-

1. Production of quality planting materials - 14 lakhs
2. Establishment of demonstration Plots in the farmers' field to encourage the cultivation on scientific lines - 4500 plots

The above programmes are also continuing in 1997-98.

**Amendment in the Companies Act**

564. SHRI CHANDRABHUSHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to make amendment in Clause '2' of Section 166 of the Companies Act, 1956, to facilitate the investors to participate in the Annual General Meeting of Companies, by forcing the companies to hold annual general meeting at a place in India on the basis of the strength of registered investors;

(b) If so, the details thereof; and

(c) If not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) Does not arise.

(c) The suggestion of holding Annual General Meeting at a place other than the registered office of the company on the basis of the strength of registered investors so as to facilitate them to participate in the Annual General Meeting does not appear to be feasible as the pattern of composition of shareholders of a company goes on changing frequently which would entitle the shareholders to call for change in venues each time such composition is changed. It would also require shifting of statutory records and the other relevant documents alongwith the specimen signatures of the shareholders to the changed venue of the Annual General Meeting.

[Translation]

**Right of Adivasi Women on Ancestral Property**

565. SHRI LALIT ORAON: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether Adivasi community has been protesting vehemently against the recent verdict of the Supreme Court about the right of Adivasi Women on the ancestral property;

(b) whether it would not have an adverse impact on the civilisation, culture and traditions of Adivasis; and

(c) If so, the reaction of the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c) The requisite information is being collected from the concerned Ministry and the same will be laid on the table of the House.

[English]

**Strike by Bank Employees**

566. SHRI P. SHANMUGAM:

SHRI BHIMRAO VISHNUJI BADADE:

Will the Minister of FINANCE be pleased to state:

(a) whether Bank Employees struck their work on July 4, 1997;

(b) If so, the demands of the employees;

(c) the loss suffered due to strike by the Nation and the reasons for not meeting their genuine demands by the Government; and

(d) the steps taken/proposed to be taken by the Government to avert the strike?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) The demands inter-alia included implementation of pension settlement in private sector Indian Banks, introduction of pension scheme in Regional Rural Banks/ Cooperative Banks, rejection of Mahalk Committee Report on implementation of 6th Bipartite Settlement/Officers salary revision in Regional Rural Banks, removal of ceiling on bonus and gratuity, non-establishment of local area banks and immediate ban on non-banking finance companies on accepting deposits from public.

(c) It is not possible to quantify the exact amount of loss suffered by the economy on account of the strike.

(d) Indian Banks' Association have reported that conciliation proceedings were undertaken by the concerned authorities including Chief Labour Commissioner (Central). These proceedings are continuing.

**AG Office, Kerala**

567. SHRI RAMESH CHENNITHALA: Will the Minister of FINANCE be pleased to state:

(a) the reason for the strike of employees of AG's office, Trivandrum, Kerala;

(b) the total number of man-days lost; and

(c) the action taken to resolve the strike?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The employees of Accountant General, Kerala, resorted to strike from 6th May, 1997 to 27th May, 1997 raising issues like removal of stagnation in all cadres, sanction of additional staff, release of posts held in abeyance, etc. These demands had all-India implications which could not be decided in isolation. The representatives of the employees were informed accordingly. Line of communication with employees was kept open during the strike and the staff reported back to duty on 28th May 1997. The total number of man-days lost during the strike were 42368.

**Traditional Style of Weaving and Designs**

568. SHRIMATI MEIRA KUMAR: Will the Minister of TEXTILES be pleased to state:

(a) whether a number of traditional styles of weaving & designs are disappearing or deteriorating and the



weavers of Benaras and the adjoining areas are compelled to give their traditional work;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the steps taken by the Government to encourage the weavers to retain their profession to maintain the quality of traditional styles and also to innovate new designs?

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

(a) The traditional styles of weaving & designs are not disappearing or deteriorating. At present, as per market demand, the weavers of Varanasi and the adjoining areas continue to produce fabrics of traditional styles and designs.

(b) Does not arise.

(c) Various schemes/programmes are implemented to encourage the weavers to retain their profession, to maintain the quality of traditional styles and also to innovate new designs. These inter-alia are;

- (i) Project Package Scheme.
- (ii) Engagement of Freelance Designers for design development
- (iii) Decentralised Training Scheme for weavers
- (iv) Setting up of HDCs/QDUs

#### **Excise Duty Exemption to 100% Wood Free Particle Fibre Board**

569. SHRI QAMARUL ISLAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government have collected data in respect of 100% wood free particle fibre board industry to consider total excise duty exemption to this industry to encourage its increased production in helping conservation of forest resources;

(b) if so, the time by which a decision to this effect is expected;

(c) if not, the reasons therefor; and

(d) the break up of excise duty collected from this industry from 1995-96 onwards vis-a-vis the customs duty collected from the import of wood logs, fuel wood, wood chips etc. during 1996-97?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The relevant data, which is necessary to examine the case for exemption from excise duty on 100% wood free particle and fibre boards, is being collected. After the data is received, the case for exemption will be examined and decision taken at the appropriate time.

(d) The information is not readily available. It is being collected.

#### **Dankuni Coal Complex**

570. SHRI DINESH CHANDRA YADAV: Will the Minister of COAL be pleased to state:

(a) whether Dankuni Coal Complex, a Coal India subsidiary is anticipated to suffer a loss of over Rs. 30 crores during 1996-97;

(b) if so, the reasons attributed for such a huge loss;

(c) its overall impact on the Coal India's losses and profits; and

(d) the measures taken by the Government to remove the impediments and to make the Dankuni Coal Complex economically viable?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) Dankuni Coal Complex (DCC), a Low Temperature Carbonisation (LTC) plant at Dankuni, West Bengal is presently under South Eastern Coalfields Ltd. (SECL), a subsidiary of Coal India Limited (CIL) is expected to suffer a loss of Rs. 31.26 crores (Provisional) during 1996-97. However, firm figure shall be known only after the annual account for the year is finalised and audited.

The installed capacity of the plant was largely unutilised mainly on account of Greater Calcutta Gas Supply Corporation (GCGSC), a linked consumer under Government of West Bengal, failing to take the committed quantity of gas. Another issue badly affecting the financial position of the plant is unwillingness of GCGSC to pay the remunerative price for the gas. GCGSC is paying presently @ Rs. 9.50 per therm as against @ Rs. 16.0 paid by M/s. Alloy Steel Plant, Durgapur.

(c) The loss incurred by DCC a unit of SECL, during 1996-97 will have an impact on the profits of SECL. SECL will have a profit of Rs. 564.54 crores (provisional) during 1996-97.

(d) The following measures are being taken to improve the economic viability of DCC:-

(i) Dialogue with the Govt. of West Bengal to improve the off-take of gas to GCGSC for improved capacity utilisation of the plant as well as to persuade the GCGSC to pay remunerative price of

(ii) To produce value added chemicals like chloroxycenol, chlorophenol, etc.

#### **CRB Mutual Fund**

571. SHRI UTTAM SINGH PAWAR: Will the Minister of FINANCE be pleased to state:

(a) whether CRB Mutual Fund has been inspected at the behest of Securities and Exchange Board of India;

(b) if so, the outcome thereof;

(c) whether any irregularities have come to the notice of the Government;

(d) if so, the details thereof; and

(e) the action taken by the Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) According to SEBI, there have been two inspections of the CRB Mutual Fund, one in December, 1994 and another in February, 1997.

(b) Following the findings of the inspection conducted in December, 1994 and enquiry, SEBI directed CRB Mutual Fund not to launch schemes upto June 30, 1996. In addition the following actions were taken by SEBI:-

- (i) CRB Mutual Fund was asked not to launch schemes till further order;
- (ii) The custodian of the Mutual Fund has been directed not to dispose off any of the securities held in its custody on behalf of CRB Mutual Fund and submit inventories of the securities to SEBI;
- (iii) SEBI moved the Hon'ble High Court of Mumbai to appoint an Administrator to take charge of the property and assets of CRB Mutual Fund and its schemes.

(c) and (d) According to SEBI irregularities brought out in the inspection reports of December 1994 and February, 1997 inter-alia include:

- (i) Absence of arms length relationship among the Fund, the sponsor and its associates.
- (ii) Notional borrowing by the fund in the form of an overdraft in violation of the Mutual Fund Regulations.
- (iii) Failure to observe prudential investment norms.
- (iv) Lending by the fund to CRB securities (an associate company) in violation of the Regulations.
- (v) Transaction through CRB Stock broking Ltd. even before the latter was a member of the Bombay Stock Exchange.
- (vi) Payment of brokerage fees for contracts on a "Principal to Principal" basis.
- (vii) Failure to supervise the activities of the custodian.
- (viii) Substantial investment in group companies.
- (ix) In some cases, the assets acquired for the fund have not been transferred in the name of the Fund.
- (x) There have been transactions within the group either for funding the group companies from whom the securities were purchased.

(xi) Failure of the fund to inform investors about the SEBI ban; and

(xii) Concentration of broking business through CRB Stock Broking.

(e) The Securities and Exchange Board of India is the regulatory authority for Mutual Funds under the SEBI Act, 1992. The activities of Mutual Funds are governed by the SEBI (Mutual Funds) Regulations. SEBI takes appropriate action for any violation of the provision of the Regulations.

#### **Restriction on Imports**

572. SHRI G. VENKAT SWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are negotiating the phase out of the quantitative restrictions on import with developed countries under the aegis of the World Trade Organisation;

(b) if so, the details thereof; and

(c) the follow up action taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) In accordance with the provisions of Article XVIII: B of the General Agreement of Tariffs and Trade (GATT) 1994 and the Understanding on the Balance of Payments Provisions of the GATT 1994, the World Trade Organisation's (WTO) Committee on Balance of Payments Restrictions met in December 1995 towards holding full consultations with India in order to review all restrictive import measures taken for balance of payments purposes. At these consultations it was agreed to resume the consultations in October 1996 and in the meanwhile India was invited to notify all restrictions maintained for balance of payments purposes soon after the announcement of the 1996-97 Export-Import Policy.

As per this decision, India notified the remaining restrictions maintained for balance of payments purposes to the WTO in July 1996 incorporating all amendments to the 1992-97 Export-Import Policy made upto 25 March 1996. The consultations which were scheduled to be held in October 1996 were postponed to 20-21 January 1997 at the request of the International Monetary Fund (IMF) which participates in these consultations in accordance with Article XV of the GATT 1994. At these consultations, the Committee took note of India's progressive removal of quantitative restrictions notified under Article XVIII: B. The IMF, in its report on India, indicated, inter alia, that India's current monetary resources were not inadequate and that there was no threat of a serious decline in the monetary reserves. After discussions in the Committee on the balance of payments position of India, the Committee agreed to resume consultations with India in June 1997, when India was requested to present to the Committee a plan for phasing out quantitative restrictions maintained on imports for safeguarding the balance of payments.

India presented a plan for the elimination of residual quantitative restrictions on imports maintained for safeguarding the balance of payments in May 1997 to the WTO Committee on Balance of Payments Restrictions. The WTO Committee on Balance of Payments Restrictions resumed its consultations with India on 10-11 June 1997. At the meeting, India's plan for elimination of quantitative restrictions over a 9 year period in three phases of three years each starting 1 April 1997 was discussed. The IMF presented a report indicating that in its assessment India's balance of payments position continued to be comfortable and reiterated the views expressed in the January 1997 meeting. India advocated the need for a cautious approach to dismantling of quantitative restrictions. Since no consensus could be reached at these consultations, the Chairman of the Committee, after taking note of the flexibility and readiness to make constructive proposals on both sides, proposed a period of reflection and accordingly suspended the meeting till 30 June-1 July 1997.

At the resumed consultations on 30 June 1997 India presented a revised plan which envisaged elimination of most of the quantitative restrictions in two phases of three years each, with only a very small number of products of high sensitivity retained for elimination of quantitative restrictions in the third phase of one year. However divergence of views on the length of the plan and on the number of tariff lines to be freed during the earlier years of the phase out period persisted, as the developed countries wanted heavy frontloading of the items in the time schedules. The resumed consultations concluded without consensus on the plan on 30 June-1 July 1997.

Australia, Canada, the EC, New Zealand, USA and Switzerland have since then separately sought formal consultations with India under the provisions of the Understanding on the Procedures Governing the Settlement of Disputes in the WTO, alleging that the maintenance of quantitative restrictions of imports of safeguarding the balance of payments by India is inconsistent with India's obligations under the WTO. India has accepted the requests for consultations. Under the dispute settlement provisions, India is required to enter into consultations in good faith within a period of no more than 30 days after the date of receipt of the request, or a period otherwise mutually agreed, with a view to reach a mutually satisfac-

tory solution. If the consultations fail to settle the dispute within 60 days after a date of receipt of the request for consultations, the complainants would have the option of seeking the establishment of a dispute settlement panel in the WTO to examine their complaints. The complaining party may request a panel during the 60 day period also, if the consulting parties jointly consider that consultations have failed to settle the dispute.

#### Import of Rough Ophthalmic Blanks

573. SHRI KODIKUNNIL SURESH: Will the Minister of FINANCE be pleased to state:

(a) whether Directorate of enforcement (FERA) are aware that the importers of Delhi and Mumbai have been importing Rough Ophthalmic Blanks (ORB) from China on the basis of highly under invoiced value at ICD-TKD/Patparganj by transferring the difference between the actual and invoiced price by way of Hawala transactions to their suppliers;

(b) if so, whether the SIIB, Customs, New Delhi have established such few cases where the invoice value has been under-invoiced by 233.28 per cent thereby evading the customs duty to tune of Rs. 55,80,213/- only on 7B/E's from March, 1996 to May, 1996;

(c) the details of the importers involved in such cases;

(d) whether after detecting such a big Hawala case, it has been referred to FERA and CBI;

(e) if not, the reasons and justification therefor; and

(f) if so, the progress made in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (f) Delhi Custom House has detected 8 cases of under-valuation in relation to import of Rough Ophthalmic Blanks by an importer from Delhi, involving a duty amount of Rs. 57.48 lakhs. Out of these, 4 cases relate to the period March, 1996 to May, 1996 involving duty of Rs. 34.60 lakhs. The details of the 8 cases are given in the attached statement. The Directorate of Enforcement has been informed about these cases and the same are under investigation by that Directorate.

#### Statement

S.No.	E.E. No. & Date	Declared Value	Proposed Value	Difference of duty	Name of the Importer
1	2	3	4	5	6
1.	109497 Dt. 4.10.96	6,49,636/-	9,68,557/-	1,65,839/-	Indian Optics (P) Ltd., 111, Model Basti, New Delhi-5.
2.	104437 Dt. 6.5.96	4,97,914/-	8,88,348/-	1,95,216/-	-do-
3.	107668 Dt. 21.8.96	7,27,176/-	11,95,343/-	2,43,446/-	-do-

1	2	3	4	5	6
4.	103994 Dt. 20.4.96	7,20,216/-	12,50,828/-	2,65,306/-	-do-
5.	109120 Dt. 23.9.96	7,75,653/-	12,44,755/-	2,43,933/-	-do-
6.	109038 Dt. 21.9.96	10,83,220/-	46,60,665/-	16,34,016/-	-do-
7.	102630 Dt. 13.3.96	10,34,478/-	34,42,166/-	12,08,844/-	-do-
8.	102631 Dt. 13.3.96	15,39,506/-	51,21,944/-	17,91,219/-	-do-
Total				57,47,819/-	

#### Car Unit in Andhra Pradesh

574. DR. T. SUBBARAMI REDDY:

SHRIMATI LAKSHMI PANABAKA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have received any proposal from the Malaysian based Proton Car Company to set up their unit in Andhra Pradesh as a joint venture;

(b) if so, the details thereof alongwith the time by which the said project is likely to be set up; and

(c) the total expenditure involved in this project?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No proposal has been received from Malaysian based Proton Car Company to set up a joint venture unit in Andhra Pradesh, or elsewhere in the country.

(b) and (c) Do not arise.

#### Closure of Banks due to Bankruptcy

575. VAIDYA DAU DAYAL JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether many banks have been closed down during the last five years on account of being bankrupt;

(b) if so, the names those banks closed down due to bankruptcy and the amount thereof in each case;

(c) whether the Central Bank claiming excellency throughout India is also on the verge of bankruptcy due to misbehaviour/misconduct; and

(d) if so, the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) have reported that no bank has been closed down during the last five years on account of being bankrupt. However, four banks have been amalgamated with public sector banks and one bank has been placed under liquidation during the last five years. The details of five banks are as under:

1. New Bank of India (merged with Punjab National Bank on 3.8.93).

2. Kashi Nath Seth Bank Ltd. (amalgamated with State Bank of India on 1.1.96)

3. Bank of Karad Ltd. (Placed under liquidation on 27.5.92)

4. Punjab Co-Operative Bank Ltd. (amalgamated with Oriental Bank of Commerce on 8.4.97)

5. Bari Doab Bank Ltd. (amalgamated with Oriental Bank of Commerce on 8.4.97)

(c) and (d) RBI have reported that Central Bank of India has been identified as one of the weak banks on the basis of the performance as on 31st March, 1996. With a view to improving the performance of the bank, RBI/ Central Bank of India have initiated the following steps:

1. RBI appointed KMPG Peat Marwick, Consultants to suggest turnaround strategy for the bank.

2. RBI advised Central Bank of India to formulate its financial projections upto the year 1999-2000 in the context of turn around strategies.

3. Central Bank of India have constituted a Core change Management Group consisting of General Managers under the Chairmanship of bank's Executive Director to evolve strategies and oversee the implementation of its turn-around strategies.

4. Central Bank with a view to working out the medium and long term strategies has appointed ICRA in December, 1996 for improving the yield on investment portfolio, rationalisation of organisational structure and expenditure control.

5. RBI are monitoring the bank's performance periodically. During 1996-97 Central Bank of India reported a net profit of Rs. 150.83 crores.

#### Legal Administration

576. SHRI SANDIPAN THORAT: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the steps taken/proposed to be taken by the

Government for modernisation/rationalisation of Legal Administration;

(b) the progress made in this regard so far and the plan of action for 1997-98;

(c) the funds provided to the States for the purpose during 1997-98, State-wise;

(d) whether the Government have received any proposals regarding Legal Administration from the States particularly from Maharashtra; and

(e) if so, the details thereof alongwith the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Modernisation/rationalisation of the system of administration of justice is a continuing process involving both the Central and State Governments. Several steps have been taken in this direction in recent times including the computerisation of records in High Courts. Further a Centrally Sponsored

Scheme for the development of infrastructural facilities for the Judiciary is being implemented since 1993-94. The scheme includes construction of Court buildings and residential quarters covering High Courts and Subordinate Courts.

(b) Since 1993-94 a sum of Rs. 180.43 crores has been released to the States and Union Territories. Allocation under the scheme in the current year, i.e. 1997-98 is Rs. 50.00 crores.

(c) The amount allocated to different States/UTs and the amount released, as first instalment for 1997-98 under this scheme, are given in the attached Statement.

(d) and (e) The Government of Maharashtra has sent a proposal envisaging an outlay of Rs. 7765.00 lakhs for the IXth Five Year Plan on various works under the Centrally sponsored scheme. The funds under this scheme are provided by the Planning Commission on a year-to-year basis. Hence, it is not possible to indicate at this stage the amount likely to be released to Maharashtra for this scheme during the remaining period of IXth Five Year Plan.

#### Statement

*Amount allocated and released to various States/UTS under the Centrally sponsored scheme during 1997-98*

Rs. in Lakhs

S.No.	Name of the State/UT	Amount allocated for 1997-98	Amount released in 1st instalment
1	2	3	4
1.	Andhra Pradesh	368.07	184.00
2.	Arunachal Pradesh	40.00	20.00
3.	Assam	260.00	130.00
4.	Bihar	286.18	143.00
5.	Goa	34.00	17.00
6.	Gujarat	165.18	83.00
7.	Haryana	78.78	40.00
8.	Himachal Pradesh	34.00	17.00
9.	Jammu & Kashmir	34.00	17.00
10.	Karnataka	239.86	120.00
11.	Kerala	159.85	80.00
12.	Madhya Pradesh	294.26	147.00
13.	Maharashtra	315.71	158.00
14.	Mizoram	40.00	20.00
15.	Manipur	40.00	20.00

1	2	3	4
16.	Meghalaya	40.00	20.00
17.	Nagaland	40.00	20.00
18.	Orissa	187.68	94.00
19.	Punjab	84.39	42.00
20.	Rajasthan	226.70	113.00
21.	Sikkim	34.00	17.00
22.	Tamil Nadu	317.49	159.00
23.	Tripura	40.00	20.00
24.	West Bengal	474.01	237.00
25.	Uttar Pradesh	703.84	352.00
<b>Union Territories</b>			
1.	A & N Islands	25.00	13.00
2.	Chandigarh	25.00	13.00
3.	Delhi	333.00	167.00
4.	Daman & Diu	15.00	8.00
5.	Dadra & Nagar Haveli	15.00	8.00
6.	Lakshdweep	15.00	8.00
7.	Pondicherry	34.00	17.00
		5000.00	2504.00

**Vacant Posts of SCs/STs**

577. SHRI N. J. RATHWA: Will the Minister of TEXTILES be pleased to state:

(a) the total number of appointments made in the departments/Undertakings under this Ministry during the last three years and till date post-wise;

(b) the number of candidates among them belonging to SC/s/STs, Post-wise;

(c) whether at present some posts reserved for SCs/STs are lying vacant in these departments/undertakings;

(d) If so, the details thereof; post-wise;

(e) the steps being taken or proposed to be taken by the Government to fill up these reserved posts; and

(f) by when these vacant posts are likely to be filled up and reasons for delay in this regard?

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.

**Bungling in Hazaribagh Banks**

578. SHRI JAI PRAKASH (HARDOL): Will the Minister of FINANCE be pleased to refer to the answer given to Unstarred Question No. 535 dated November 22, 1996 regarding Bungling in Hazaribagh Banks and state:

(a) whether the information has since been collected;

(b) if so, the details thereof;

(c) the action taken/proposed to be taken by the Government in the matter;

(d) the number of cases of bungling/fraud/negligence in the private and public sector banks in Delhi have taken place during 1995-96, 1996-97 and 1997-98 till date; and

(e) the action taken by the Government against such banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a), (b), (c) and (e) RBI has reported that the alleged bungs detected in Hazaribagh Banks in the matter of grant of loans under

the Govt. sponsored schemes have been enquired into by the respective banks. The findings have revealed that some of the allegations were true arising mainly out of non-observance of norms pertaining to the post-disbursement supervision aspect by the concerned banks regarding creation of assets out of loan/commencement of activities by the borrowers. It has further been reported by RBI that appropriate action has been initiated/taken against the erring bank officials, borrowers and suppliers.

(d) The system of data collection obtaining in RBI does not generate such data state-wise.

#### Losses in STC

579. SHRI A.G.S. RAM BABU: Will the Minister of COMMERCE be pleased to state:

(a) whether the State Trading Corporation (STC) is running into huge losses;

(b) If so, the details of amount of loss incurred during each of last three years alongwith the reasons therefor;

(c) whether the Government have initiated any concrete steps to contain the mounting losses; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) No, Sir. The State Trading Corporation is a profit making organisation and the consolidated profit before tax earned by it during the last three years is given below:-

Year	Profit before tax (Rs. Crores)
1994-95	41
1995-96	33
1996-97	57 (Prov.)

(b) to (d) Do not arise.

[Translation]

#### Hand Made Wollen Products

580. SHRI KRISHAN LAL SHARMA: Will the Minister of TEXTILES be pleased to state:

(a) whether the export of hand made wollen products has declined during 1996-97;

(b) if so, the percentage thereof;

(c) whether the Government have formulated any time bound Action Plan to check the fall in the export of hand made woollen products; and

(d) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) Yes Sir. The exports of Hand made Woollen products (Woollen Handloom Woven Textiles) has declined

during 1996-1997 as compared to 1995-96. The exports of Woollen Handwoven Textiles is shown below:

1995-96	1996-97
Rs. 34.03 Crores	Rs. 30.42 Crores

There is a decline of approximately 11% in Rupee terms.

(c) and (d) No specific time bound Action plan has been formulated by the Government for a particular woollen product. However, the Government has taken steps to increase the export of woollen products through following measures:-

1. Expansion of production base and diversification of markets and products range.
2. By encouraging export of diversified wool products like woollen garments and woollen furnishings.
3. Identifying new markets in Western Europe, North America and Scandinavian countries.
4. Development of new production bases for woollen and acrylic knitwears.

[English]

#### Tripura Gramin Bank

581. SHRI BAJU BAN RIYAN:

SHRI BADAL CHOUDHARY:

Will the Minister of FINANCE be pleased to state:

(a) whether Tripura Gramin Bank has been enlisted for revamping;

(b) if so, the details thereof and by when revamping is likely to be done;

(c) whether the State Government have sought any financial assistance in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As a part of restructuring of Regional Rural Banks (RRBs), the Government have provided budgetary support for recapitalisation of select RRBs on a "Stand alone" basis for cleansing of balance sheets. During the financial year 1996-97, the Government have released an amount of Rs. 7.63 crores (representing Government of India share of 50%) to Tripura Gramin Bank (TGB) as additional equity. It may be mentioned that a clear picture in regard to the actual requirement of funds by the bank is likely to emerge only after audited figures pertaining to the year 1996-97 are available.

(c) and (d) Government of Tripura has requested the Central Government to consider sanction of a special Non-

Plan grant of about Rs. 2.29 crores to enable it to release its share (15%) to match the amount of additional equity released by the Central Government.

#### **SBI Kerala**

582. SHRI T. GOVINDAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is considering the request of Government of Kerala for the formation of a separate administrative circle of State Bank of India for the State of Kerala; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) While the Government of Kerala have made requests for the formation of a separate circle of State Bank of India (SBI) for Kerala, SBI presently, has no such proposal to form a separate circle for Kerala. However, the discretionary power of the Deputy General Managers in-charge of Zonal Offices have been considerably enhanced and some branches have been brought directly under the control of functionaries at the Local Head Office (The branches located in the State of Kerala fall under the administrative control of Chennai Circle). This arrangement would expedite decisions both in credit and in general matters.

#### **Submitting of Balance Sheets and Annual Reports**

583. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of FINANCE be pleased to state:

(a) whether it is mandatory to all the companies to file their balance sheets and annual reports under the companies Act, 1956 to the Registrar of companies;

(b) if so, the details thereof;

(c) the details of those companies who have not filed their balance sheets and annual reports during each of the last three years;

(d) whether these cases are increasing year by year; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, Sir. Under sections 159 and 220 of the Companies Act, 1956, it is mandatory for companies to file their Annual Returns and Balance Sheets each year within the time limits provided therein.

(c) The details are given in the attached Statement.

(d) Yes, Sir.

(e) The defaulting companies and officers in default

are liable to prosecution under Sections 162 and 220 of the Companies Act. In cases, where substantial delays in filing these returns are noticed as a result of the inspection conducted under Section 209A of the Companies Act, 1956, penal action is initiated under the aforesaid provisions of the Companies Act.

#### **Statement**

##### *Number of Companies which have not filed annual Returns/Balance Sheets*

Year	Annual Returns	Balance Sheets
1994	100039	103360
1995	146079	147203
1996	187572	183539

Note 1. The figures for 1994 do not include information in respect of Registrar of Companies, Jammu & Kashmir where the records were destroyed due to fire.

Note 2. The above figures include companies which the defunct and are not carrying any business.

[Translation]

#### **Loan to States**

584. SHRI JAI PRAKASH AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the details of loan taken by State Governments from the Union Government as on date;

(b) the details of such States which have requested the Union Government for additional loan during the current financial year;

(c) whether the National Capital Capital Territory of Delhi Government is also included in these States;

(d) if so, the time by which the additional loan is likely to be granted; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) State-wise details of loan taken from Ministry of Finance as on 31.3.97 are given in the attached Statement.

(c) The National Capital Territory of Delhi Government is not included in these States.

(b), (d) and (e) The States of Andhra Pradesh, Manipur, Mizoram, Nagaland, Orissa and Rajasthan have requested for loans for the purpose of tiding over ways and means difficulties/to bridge gap in resources etc. These states have been extended financial assistance by means of grants of ways and means advance recoverable during



the course of the year and/or advance release of States' entitlements.

### Statement

*Details of loan taken by State Governments from Ministry of Finance, as on 31.03.97*

(Rs. in crores)

S.No.	State	Amount
1.	Andhra Pradesh	1,03,40.77
2.	Arunachal Pradesh	2,29.94
3.	Assam	36,44.50
4.	Bihar	94,87.22
5.	Goa	7,99.96
6.	Gujarat	98,39.37
7.	Haryana	35,17.96
8.	Himachal Pradesh	16,60.25
9.	Jammu & Kashmir	28,49.50
10.	Karnataka	67,12.51
11.	Kerala	45,50.07
12.	Madhya Pradesh	63,90.73
13.	Maharashtra	1,58,54.42
14.	Manipur	2,04.76
15.	Meghalaya	2,34.23
16.	Mizoram	1,49.69
17.	Nagaland	2,49.83
18.	Orissa	46,66.23
19.	Punjab	1,06,42.41
20.	Rajasthan	69,94.12
21.	Sikkim	1,36.50
22.	Tamilnadu	84,03.85
23.	Tripura	3,54.02
24.	Uttar Pradesh	2,10,96.97
25.	West Bengal	1,32,17.32
		14,22,27.13

[English]

### Issue of Coins/Currency Notes on Netaji

585. SHRI SURESH PRABHU: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have issued/propose to issue any coins/currency notes on the occasion of the birth anniversary celebrations of Netaji Subhash Chandra Bose;

(b) if so, the details thereof; and

(c) If not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Commemorative coins in the denominations of Rs. 100, Rs. 50 and Rs. 10 and commemorative circulation coins of Rs. 2 were released on 19.2.97 to commemorate the birth centenary of Netaji Subhash Chandra Bose. As per Government policy, currency notes are issued only with the portrait of Mahatma Gandhi.

### Coal Depot

586. SHRI BADAL CHOUDHURY: Will the Minister of COAL be pleased to state:

(a) whether the Government of Tripura has sent any proposal for setting up centralised Coal Depot in the State;

(b) if so, the steps have been taken to set up that depot; and

(c) by when it is likely to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Yes, Sir.

(b) and (c) As per the policy, stockyards are to be set up by the respective State Governments or its organisations. Coal companies would make coal available in accordance with the linkages/sponsorships given by the State Governments. It is, therefore, for the State Government to assess the requirement of stockyards, set them up and make appropriate sponsorships for supply of coal.

### Export Promotion Industrial Park in U.P.

587. SHRI ASHOK PRADHAN: Will the Minister of COMMERCE be pleased to state:

(a) the details of Export promotion Industrial Parks set up in Uttar Pradesh;

(b) whether the Uttar Pradesh Government has any share in these parks; and

(c) if so, the details thereof;

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) A proposal of the Uttar Pradesh Government to set up an Export Promotion Industrial Park at Surajpur, Greater Noida, Dist. Gautambudhnagar has been approved for Central assistance under the Export Promotion Industrial Park (EPIP) Scheme. The Park is being set up by the Uttar Pradesh Government at an estimated cost of Rs. 20.19 crores. Under the EPIP Scheme, Central assistance up to 75% of the capital cost of the project, excluding cost of land, but limited to a maximum of Rs. 10 crores per Park

is provided. The entire Central grant of Rs. 10 crores has already been released to the U.P. Government, for development of this Export Promotion Industrial Park.

[Translation]

#### **Fiscal Deficit**

588. SHRI SUSHIL CHANDRA: Will the Minister of FINANCE be pleased to state:

- (a) the figures regarding the fiscal deficit in the Budget of the Union Government for the year 1997-98;
- (b) the percentage of G.D.P. regarded as deficit;
- (c) whether it is below the limit; and
- (d) if not, the steps taken to minimise the limit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The fiscal deficit has been kept at Rs. 65,454 crore in the Budget Estimates for 1997-98 which is estimated at 4.5% of GDP.

(c) and (d) As mentioned in the Finance Minister's budget speech for 1997-98, Government hopes to bring the fiscal deficit under 4% in the next budget.

[English]

#### **Income Tax Dues Against State Apex Co-operative Banks**

589. SHRI RAM NAIK: Will the Minister of FINANCE be pleased to state:

- (a) whether the Income Tax Department has served notices on State Apex Co-operative Banks for payment of income tax on income earners from the investments from reserve funds in Government securities;
- (b) if so, the name of banks with amount due from them as on March, 31, 1997 of any convenient accounting date;
- (c) whether the banks represented to the Government for not claiming income-tax on such investments; and
- (d) if so, the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The information is being collected and will be laid on the Table of the House.

#### **Amount Deposited in NSS in M.P.**

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

- (a) the details of amount deposited in small saving schemes, Unit Trust of India Schemes, National Saving Schemes and various Nationalised Banks during each of the last three years in Madhya Pradesh, institution-wise, district-wise;

(b) the names of the financial institutions which have provided financial assistance to the Government of Madhya Pradesh; and

(c) the terms and condition laid down in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The information being collected and will be laid on the table of the House.

#### **Development of Sericulture**

591. SHRI B.L. SHANKAR: Will the Minister of TEXTILES be pleased to state:

- (a) the schemes being operated by Union Government for the development of sericulture in the country as on 30th June, 1997;
- (b) the amount of financial assistance provided to Karnataka for this purpose during 1996-97; and
- (c) the amount likely to be given during 1997-98 to the State?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) Sericulture development programmes are being implemented by the States under their respective Plan Programmes. However in order to supplement their effort Central Silk Board also implements schemes/programmes for promoting development of all four types of silk. These include schemes for extension of R&D, training, infrastructure and infrastructural support to the sector through network of CSB units and implementation of schemes for encouraging adoption of modern sericultural practices for production of quality silk. Besides, CSB has also taken up specific projects like World Bank assisted National Sericulture Project (17 States), Action Plan for North-Eastern Region, Poorvanchal Sericulture Development Project in Uttar Pradesh, etc. in collaboration/association with State Governments. One important scheme launched in 1997-98 is for providing subsidies for establishment of multiend reeling.

(b) The Planning Commission, Government of India makes allocation for development of sericulture under the States Plan programme. Under the WorldBank/Swiss assisted National Sericulture Project during the 1996-97 a provision of Rs. 88.65 crores has been provided to the Karnataka against the total revised project cost of Rs. 583.79 crores.

(c) No specific programmes have been received from the State Government However a provision of Rs. 38.42 crores is earmarked for the CSB having its headquarters and other units in Karnataka. Expenditure during 1997-98 in Karnataka would be dependent on the schemes sent to the CSB by the State Government.

#### **Karnataka High Court Bench**

592. SHRI VIJAY SANKESHWAR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government propose to set up a Bench of Karnataka High Court at Hubli-Dharwad in accordance with the decision taken by the Government of Karnataka;

(b) whether the Government have also received any proposal from the State Government in this regard;

(c) if so, the details thereof; and

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

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (d) The Government of Karnataka is of the view that a permanent Bench of the Karnataka High Court should be established at Hubli-Dharwad. However, the Chief Justice of the High Court has not so far endorsed the proposal. It is the policy of the Government of India that both the State Government and the High Court consider the matter from all angles and arrive at a consensus. As no complete proposal has been received from the Government of Karnataka, in consultation with the Chief Justice of the Karnataka High Court, for establishment of a Bench of the High Court at Hubli-Dharwad, it is not possible for the Central Government to take a decision in the matter.

#### **Smuggling of Gold & Foreign Currency**

593. SHRI RANJIB BISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the smuggling of gold and foreign currency are on the increase in the country;

(b) the number of cases brought to their notice between January and July this year, so far, alongwith the quantity and value of Gold and Foreign Currency seized;

(c) whether such incidents are more prevalent in Delhi;

(d) if so, the action taken by the Air Customs unit of Indira Gandhi International Airport;

(e) whether any action has been initiated against the persons smuggling gold and foreign currency; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There is no intelligence indicating increase in smuggling of gold and foreign currency into this country.

(b) 378 Kg of gold valued at Rs. 1844 lakh and foreign currency valued at Rs. 2923 lakhs have been seized from January to July 1997 (Figures are provisional). The exact number of cases detected is being ascertained.

(c) Available reports do not suggest that incidents of smuggling are more prevalent in Delhi.

(d) NIL in view of (c) above.

(e) and (f) The persons found guilty are arrested and prosecuted. In appropriate cases detention of offenders under COFEPOSA is also made.

#### **Infrastructure Development in Border Areas**

594. DR. ARUN KUMAR SARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether any proposals for infrastructure development in the border areas from the Government of Mizoram and Manipur are pending with the Government;

(b) if so, the details thereof including financial outlays;

(c) the action taken to sanction the proposals during the current financial year;

(d) whether any proposals for the development of infrastructure in the border points of the North-Eastern India along the Myanmar, Bhutan, Bangladesh and Chinese Border is under consideration of the Government; and

(e) if so, the details thereof alongwith the financial outlays during the Ninth Plan?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (e) A proposal received from Government of Mizoram for creation of a border township at Champai is being considered by the Ministry of Home Affairs which is the Nodal Ministry for considering the same.

A proposal has been received from the Government of Mizoram for sanction of Rs. 8.13 crores under the Critical Infrastructure Balance (CIB) Scheme for infrastructure development in Champai-Rih sector along Indo-Myanmar border and this is under consideration in this Ministry.

A number of steps have been taken by this Ministry to facilitate border trade with Myanmar via Moreh in Manipur corresponding to Tamu in Myanmar. The steps taken include banking, customs, immigration and other related trading arrangements.

Based on the recommendation of this Ministry, the Ministry of Home Affairs have agreed to extend the validity for installing the currency chest at Moreh for a period of twelve months.

#### **SIDBI's Loan to Small Scale Industries**

595. SHRI N.N. KRISHNADAS: Will the Minister of FINANCE be pleased to state:

(a) the role played by the Small Industries Development Bank of India (SIDBI) in the promotion of Small Scale Industries Sector in the Country; and

(b) the number of units established/provided loan by SIDBI in the States during the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The Small

Industries Development Bank of India (SIDBI) has been set up to function as the principal financial institution for promotion, financing and development of industry in the small scale sector and to coordinate to functions of institutions engaged in similar activities.

In order to fulfill the assigned role, SIDBI implements

a number of scheme for providing financial assistance, extension support and underking promotional aspects of industries in the small scale sector.

(b) The number of units sanctioned financial assistance by SIDBI and amount involved during the last three years, State-wise is given in the attached statement.

#### Statement

*Break-up of State-wise assistance sanctioned\* by SIDBI during last 3 years*

(Rs. Crore)

	1994-95		1995-96		1996-97	
	No.	Amount	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7
<b>Eastern Region</b>						
Bihar	105	11.93	1143	57.90	1685	92.93
Orissa	812	40.49	1570	71.75	3093	100.29
Sikkim	36	0.65	190	3.97	313	2.57
West Bengal	588	165.84	932	176.38	2203	196.47
Andaman & Nicobar Island	3	0.08	0	0.00	0	0.00
<b>Total</b>	<b>1542</b>	<b>218.99</b>	<b>3835</b>	<b>310.00</b>	<b>7294</b>	<b>392.28</b>
<b>North Eastern Region</b>						
Arunachal Pradesh	9	0.23	92	1.82	99	0.83
Assam	156	3.92	1461	18.74	330	10.10
Manipur	38	0.19	183	2.33	146	2.12
Meghalaya	84	2.14	98	2.12	139	8.64
Mizoram	3	0.10	39	0.45	81	0.94
Nagaland	4	0.03	104	1.13	87	1.42
Tripura	120	1.84	209	3.96	258	4.82
<b>Total</b>	<b>414</b>	<b>8.45</b>	<b>2186</b>	<b>30.55</b>	<b>1140</b>	<b>28.87</b>
<b>Northern Region</b>						
Haryana	1380	251.10	2120	372.24	1838	452.88
Himachal Pradesh	394	15.05	1747	45.08	1133	36.10
Jammu & Kashmir	126	5.41	435	11.47	444	10.88
Punjab	1169	156.95	3084	241.94	2604	190.08
Rajasthan	2061	186.04	2918	259.52	2120	190.15
Uttar Pradesh	1478	250.91	2660	450.93	3661	445.41
Chandigarh	19	3.80	166	13.51	85	9.18
NCT of Delhi	228	515.22	1252	305.40	963	395.27
<b>Total</b>	<b>6855</b>	<b>1384.48</b>	<b>14382</b>	<b>1700.09</b>	<b>12927</b>	<b>1729.95</b>

1	2	3	4	5	6	7
<b>Western Region</b>						
Goa	470	36.35	545	45.05	719	85.33
Gujarat	2612	835.63	3978	728.21	3082	169.52
Madhya Pradesh	1284	128.90	2731	198.03	3410	169.53
Maharashtra	9486	666.10	10659	1039.73	9281	1144.08
Dadara & Nagar Haveli	6	1.30	15	5.29	0	6.43
Daman & Diu	31	3.55	15	8.99	11	6.33
<b>Total</b>	<b>13889</b>	<b>1671.83</b>	<b>17943</b>	<b>2025.30</b>	<b>16511</b>	<b>2036.22</b>
<b>Southern Region</b>						
Andhra Pradesh	3202	201.33	5851	301.75	7405	316.82
Karnataka	16569	352.19	15445	574.78	18478	673.26
Kerala	8373	163.91	9146	233.09	11747	320.99
Tamil Nadu	5335	592.22	10183	792.97	10081	894.35
Laksh Dweep	0	0.00	0	0.00	0	0.00
Pondy cherry	93	6.87	136	8.13	178	12.00
<b>Total</b>	<b>33572</b>	<b>1316.52</b>	<b>40761</b>	<b>1910.72</b>	<b>47890</b>	<b>2217.42</b>
<b>Total*</b>	<b>56272</b>	<b>4600.27</b>	<b>79107</b>	<b>5976.66</b>	<b>85761</b>	<b>6404.71</b>

\*Excludes Line of Credit (LOC) to NSIC, LOC for OTCEI operations, Venture Capital Assistance to Institutions, Assistance to Factoring Companies & Assistance under Promotion and development.

#### Loan to States

596. SHRI R.B. RAI: Will the Minister of FINANCE be pleased to state:

(a) whether the Darjeeling Gorkha Hill Council (DGHC) has asked the Central Government for special economic package;

(b) if so, the details thereof;

(c) the action taken by Government in this regard; and

(d) the total amount of special Central Assistance allocated/released to D.G.H.C. since its formation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) According to the information received from the Planning Commission, Darjeeling Gorkha Hill Council have requested for one time grant of Rs. 60 crores and suitable enhancement under HADP for various development schemes of DGHC particularly covering basic infrastructure.

(c) and (d) Special Central Assistance under hill Area Development Programme is provided for designated hill

areas under which major portions of Darjeeling district are covered. The share of each constituent State under HADP is decided according to the distribution formula. Thus, assistance under HADP cannot be increased for one State without corresponding increases in other States. However, during the Eighth Plan, Rs. 4.67 crores have been made available to the Government of West Bengal during each year of the Plan, thus making available an amount of Rs. 28.35 crores to the Government of West Bengal for Hill areas of Darjeeling, over and above West Bengal's entitlements under HADP. This practise is being continued during IXth Five Year Plan also.

Special problem of Darjeeling Hill Area have been given special consideration by the Planning Commission and therefore, in addition to above, an amount of Rs. 3.117 crore was made available for improvement of water supply in municipal areas of Darjeeling district during 1994-95 and 1995-96. Also, an amount of Rs. 13.04 lakhs was released to Government of West Bengal for Darjeeling hill areas under surveys and study for the following programmes.

(i) Comprehensive survey of current status of the source of pollution and other threats posed to the preservation of the natural lake systems of Senchal and Mirik

by Darjeeling Gorkha Hill Council.

(II) Comprehensive Health and Beneficiary Needs assessment survey in Hill areas under Darjeeling Gorkha Hill Council.

#### **Closure of Small Scale Industrial Units**

597. KUMARI SUSHILA TIRYIA: Will the Minister of INDUSTRY be pleased to state:

(a) whether about two lakh small scale industrial units have threatened to close their establishments indefinitely;

(b) if so, the reasons therefor; and

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

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

#### **Appointment/Transfer of Judges**

598. SHRIMATI LAKSHMI PANABAKA:

SHRI SATYA DEO SINGH:

SHRI MUNNI LAL:

SHRI PRITHVIRAJ D. CHAVAN:

SHRI G.A. CHARAN REDDY:

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

(a) the existing procedure for the appointment/transfer of Judges of the Supreme Court and High Courts;

(b) whether the Government have taken any decision to introduce an amendment Bill to give the executive final say in the appointment and transfer of Judges of the Supreme Court and the High Courts;

(c) if so, the time by which the legislation in this regard is likely to be introduced;

(d) whether the Government have decided that till legislation is introduced, the present rule will prevail;

(e) whether the Government have received any representation against it; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) The appointments of Judges of the Supreme Court and the High Courts are made in accordance with Article 124 and 217 of the Constitution of India respectively. Following the majority judgement of a 9 member bench of the Supreme Court on 6.10.1993, the Memorandum of Procedure for appointment of Judges was revised. According

to the revised procedure, the proposal for appointment of a Judge in the High Court should be initiated by the Chief Justice of the concerned High Court. In respect of appointment of Judges in Supreme Court and Chief Justices of High Courts and transfer of Chief Justices and Judges of High Court, the proposals are to be initiated by Chief Justice of India. Prior to 1993 judgement, proposals could be initiated by Government also.

(b) The Government decided to introduce a Constitution Amendment Bill in Parliament to make changes in the existing system of appointment of Judges of the Supreme Court, Chief Justices of the High Courts, Judges of the High Courts and transfer of Judges of the High Courts. The Government felt it necessary to amend the Constitution to reiterate and spell out the intent of the framers of the Constitution clearly and unambiguously with a view to keep it beyond the pale of any controversy. Accordingly, the Constitution (Eighty-Second Amendment) Bill, 1997 was circulated to members of the Lok Sabha in March, 1997.

(c) No time frame can be stipulated at this stage.

(d) Yes, Sir.

(e) and (f) The proposed Amendment Bill has elicited mixed response from members of Parliament, legal and Constitutional experts and media.

[Translation]

#### **Financial Assistance to India Trade Organisation**

599. SHRIMATI PURNIMA VARMA:

SHRI RAMESHWAR PATIDAR:

Will the Minister of COMMERCE be pleased to state:

(a) the financial assistance provided by the Union Government to India Trade Organisation during 1996-97;

(b) the total financial assistance provided/likely to be provided to India Trade Promotion Organisation during 1997-98;

(c) whether the Union Government propose to reduce this assistance;

(d) if so, the reasons therefor;

(e) whether the India Trade Promotion Organisation has increased the rate of its service charges; and

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

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) The Government has provided a grant of Rs. 416.38 lakhs to ITPO from MDA funds during 1996-97 towards reimbursement of deficits incurred by them on organisation of fairs and exhibitions at the specific behest of the Govt. during

the years 1995-96 and 1996-97. Out of the total grant of Rs. 416.38 lakhs, the amount of Rs. 295.00 lakhs provisionally released for the year 1996-97 is subject to necessary adjustment during the year 1997-98 as per actual requirements.

(b) to (d) ITPO's requirement for funds has been assessed at Rs. 260.82 lakhs (approx.) during the year 1997-98, which is again subject to adjustment from the funds released last year.

(e) and (f) ITPO levy service charges on sale and disposal of exhibits abroad, as per rates given below:-

Fob Value of Goods	Service Charges Range
1. Upto Rs. 2 lakh	10%
2. Above Rs. 2 lakh but below Rs. 10 lakh	10% upto Rs. 2 lakh, 5% above Rs. 2 lakh, and below Rs. 10 lakh.
3. Above Rs. 10 lakh.	10% upto Rs. 2 lakh, 5% above Rs. 2 lakh ad upto Rs. 10 lakh, 2.5% above Rs. 10 lakh.

No service charges are levied on SSI units. There has not been any increase in the rates of service charges, given above.

#### **Powerlooms**

600. SHRI JAGDAMBI PRASAD YADAV: Will the Minister of TEXTILES be pleased to state:

(a) the number of powerlooms running in the country as on date and the number of more powerlooms required;

(b) the scheme of the Government to encourage them; and

(c) the position of powerlooms in Bihar and the measures being taken for their development?

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

(a) The number of Powerlooms installed as on 30.9.1996 in the decentralised powerloom sector was 14,01,978.

No specific study of the number of powerlooms required has been conducted. However, looking to the quantum of cloth produced by the Powerloom sector, there does not seem to be any need for more powerlooms. The capacity utilisation as of now, is barely 50-55%.

(b) The Government has introduced various schemes to improve the working of powerlooms sector, such as setting up of Powerloom Service Centres, Computer Aided Design Centres, Insurance Scheme for Powerloom workers. Besides, the Government also propose to introduce Workshed-cum-Housing Scheme for Powerloom Weavers. The Powerloom Development & Export Promotion Council

has been set up to promote modernisation of and export by powerloom units. Under the re-financing Scheme of NABARD & SIDBI powerloom units were provided financial assistance for modernisation through Commercial Banks and Financial Institutions.

(c) The number of powerlooms registered in the State of Bihar as on 30.9.96 was 2870. All the facilities provided to the powerloom sector by the Government are available in the State of Bihar. One Powerloom Service Centre is already functioning at Gaya under the Office of Textile Commissioner and one more Centre has been sanctioned at Bhagalpur. The Government of Bihar has also implemented the Insurance Scheme for Powerloom Weavers.

[English]

#### **Diversion of Spoilt Sugar From Srilanka to India**

601. SHRI SARADA TADIPARTHI:

SHRI AJMEERA CHANDULAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned "Customs men will ensure bad sugar is dumped in sea" appearing in the 'Indian Express' dated June 3, 1997;

(b) if so, whether a consignment of 1000 tonnes of sugar shipped for Sri Lanka from Colombia was rejected by Sri Lanka authorities at Colombo in April this year as unfit for human consumption but the ship carrying it was diverted to Mumbai port for being sold in India; and

(c) if so, the action taken by the Government to ensure that spoilt sugar is not sent to the Indian Market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Vessel M.V. Natalia containing 27000 bags of sugar on board entered into territorial water of India on 19-4-1997. Since sugar was suspected to be damaged, Mumbai Port Trust did not allow permission to berth the vessel in Docks. A part of cargo was unloaded on barges in mid stream. The sugar was examined in presence of officers of Food & Drug Administration, Maharashtra, who determined that the sugar was unfit for human consumption. Clearance can be given only after Port Health Officer/Food and Drug Administration certifies that the sugar is fit for human consumption or for industrial use. Meanwhile, M/s. Noha Marine Services, Mumbai, their agents has submitted a proposal to Food and Drug Administration (FDA) Mumbai for permission to allow clearance to any one of the following parties:

1. M/s. Gujarat Sugar Candy Works, Ahmedabad for refining and reprocessing sugar before marketing.
2. M/s. Nirzar Rasayan Pvt. Ltd. Vadodara for Industrial use in the manufacture of Oxalic Acid.

3. M/s. R.J. Foundry, Ahmedabad for industrial use in the manufacture of C.I. casting.

(b) If so, the details thereof?

The matter is under consideration of FDA.

#### **Subsidy on Non-Merit Goods**

602. SHRI AJMEERA CHANDULAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to reduce subsidy on "Non-merit goods" during 1997-98 and

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The total provision for subsidies as per the Budget for 1997-98 is placed at Rs. 18251 for the year 1997-98 (BE) which reflects an increase of 9.3 per cent over the revised estimate of Rs. 16694 crore in 1996-97. Details of subsidies provided by the Central Government during 1988-89 to 1997-98 (BE) are given in the attached statement.

#### **Statement**

*Details of subsidies provided by the Central Government during 1988-89 to 1997-98 (BE)*

(In crores of rupees)

	Actuals 1988-89	Actuals 1989-90	Actuals 1990-91	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Actuals 1996-97	Actuals 1997-98
1 2	3	4	5	6	7	8	9	10	11	12
<b>A. Major Subsidies</b>	6787	9032	9581	9793	9414	10764	11527	12128	14233	17130
1. Food	2200	2476	2450	2850	2800	5537	5100	5377	6066	7500
2. Indigenous (Urea) Fertiliser	3000	3771	3730	3500	4800	3800	4075	4300	4743	5240
3. Imported (Urea) Fertiliser	201	771	659	1300	996	762	1166	1935	1350	1950
4. Fertiliser subsidy to small and marginal farmers	-	-	-	385	-	-	-	-	-	-
5. Export promotion and Market Development	1386	2014	2742	1758	818	665	658	16	400	440
6. Sale of decontrolled fertiliser with concession to farmers	-	-	-	-	-	-	528	500	1674	2000
<b>B. Debt Relief to Farmers</b>	-	-	1502	1425	1500	500	341	-	-	-
<b>C. Other Subsidies</b>	945	1442	1075	1035	1081	1418	1064	1177	2461	1121
7. Railways	207	233	283	312	353	412	420	418	466	537
8. Mill-made Cloth	27	10	10	15	15	16	-	1	-	-
9. Handloom Cloth	146	181	185	187	161	174	148	143	98	84
10. Import-Export of sugar Edible Oils etc.	40	-	-	-	-	-	-	100	50	50
11. Interest Subsidies	406	881	379	316	113	113	76	34	1257	34
12. Assistance for fertilizer promotion	-	-	-	-	340	517	-	-	-	-
13. Other Subsidies	119	137	218	205	99	186	420	481	590	416
<b>Total-Subsidies</b>	<b>7732</b>	<b>10474</b>	<b>12158</b>	<b>12253</b>	<b>11995</b>	<b>12682</b>	<b>12932</b>	<b>13305</b>	<b>16694</b>	<b>18251</b>

**Textiles Workers Rehabilitation Fund Scheme**



603. SHRIMATI PURNIMA VARMA:

SHRI RAMESHWAR PATIDAR:

SHRI RAVINDRA KUMAR PANDEY:

SHRI SATYAJIT SINH DULIPSINH GAEKWAD:

SHRI VIJAY KUMAR KHANDELWAL:

SHRI SHIVRAJ SINGH:

SHRI DILEEP SANGHANI:

SHRIMATI BHAVNA BEN DEVRAJBHAI  
CHIKHALIA:

SHRI MRUTYUNJAYA NAYAK:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government had made certain amendments to the updated guidelines dated May, 1, 1991 for payment of relief under the Textile Workers' Rehabilitation Fund (TWRF) Scheme;

(b) if so, the details thereof and the number of workers of Himachal Worsted Mills Ltd. Nalagarh (H.P.) who have been found eligible for payment under the said scheme by the office of the Regional Textile Commissioner, Amritsar;

(c) the reasons for which payment under the said scheme has not been made to these poor workers so far; and

(d) the steps taken by the Government to release funds for these workers without any delay?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):  
(a) to (d) Yes, Sir. The following amendments have been made in TWRF Scheme:

(i) The TWRF Scheme has also been made applicable to cases of partial closure on a case to case basis subject to certain conditions.

(ii) Under the eligibility clause the wage ceiling limit has been raised from Rs. 1600/- per month to Rs. 2500/- per month.

The Textile Workers' Rehabilitation Fund Scheme has not so far been extended to Central and State Textile PSUs.

[Translation]

#### Coal Stock

604. SHRI RADHA MOHAN SINGH:

DR. RAMESH CHAND TOMAR:

Will the Minister of COAL be pleased to state:

(a) whether the Government have sufficient stock of Coal at present;

(b) if so, the quantum of Coal lying in the godowns at present at and the quantum of coking coal therein; and

(c) the total quantum of coking coal produced every year?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) Yes, Sir. Vendible coal stock with Coal India Limited (CIL) as on 1.7.1997 was 22.45 million tonnes (provisional). Out of which, the quantum of coking coal was about 4.20 million tonnes.

(c) The total quantum of coking coal produced from the mines of CIL during the last two years is as under:-

(million tonnes)

1995-96	1996-97 (provisional)
34.63	34.77

#### Export by Industries

605. SHRI RAM KRIPAL YADAV: Will the Minister of INDUSTRY be pleased to state:

(a) the share of small industries in export in comparison to that of organised sector at present;

(b) the contribution made by them in generating employment and assets in the country; and

(c) the long term policy formulated by the Government for the development of small industry sector?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) As per data on exports from small industries collected from various Export Promotion Councils, Export Development Authorities, etc., for the year 1995-96 (latest available), out of the total exports of Rs. 1,06,464.86 crores, the share of SSI sector was Rs. 36,470.22 crores which is about 34.25%.

(b) There were about 27.24 lakhs SSI units during 1995-96 which provided employment to around 153 lakh persons. No information is available regarding generation of assets in the country by these units.

(c) The policy measures taken by Government include priority sector lending to SSI, fiscal concessions, reservation of items for exclusive manufacture (currently numbering 821) and price and purchase preference to products manufactured by the sector. Several Government assisted schemes are also being implemented for promotion and development of the SSI sector. Important schemes are for providing infrastructural support through Integrated Infrastructure Development Scheme, enhanced technology support for modernisation and quality upgradation, enhancement of entrepreneurship development institutes as well as involving voluntary agencies, strengthening special employment generation programmes by way of self-employment through PMRY schemes and enhancing information and data base of SSI sector.

*[English]***CRB Scam**

606. SHRI TARIT BARAN TOPDAR:

SHRI MULLAPPALLY RAMACHANDRAN:

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA:

SHRI PRAMOD MAHAJAN:

SHRI BASUDEB ACHARIA:

PROF. AJIT KUMAR MEHTA:

SHRI MOHAN RAWALE:

SHRI MADHUKAR SARPOTDAR:

SHRI SANAT KUMAR MANDAL:

SHRI PRAKASH VISHWANATH PRANJPE:

SHRI A. SAMPATH:

SHRI SURESH R. JADHAV:

DR. ASIM BALA:

SHRI SANTOSH KUMAR GANGWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that CRB Capital Market Ltd. have defrauded investors to the tune of several hundred crores;

(b) if so, the details of irregularities came to the notice of the Government alongwith the extent of involvement of RBI, SEBI, CDDT and some public sector banks in the scam;

(c) the action being taken by the Government in the matter;

(d) whether the matter is under investigation of CBI/ any other agency; and

(e) if so, the time by which investigation is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The main activities of CRB Capital Markets Ltd. (CRBCML) were hire purchase, leasing finance and merchant banking. A complaint was received in December, 1996 by Reserve Bank of India (RBI) from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about development of Letter of Credit opened by a group Company. Further, CRBCML fraudulently overdraw its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores. Keeping in view the findings

of the inspection carried out by RBI between November, 1996 to January, 1997 and the subsequent developments, especially relating to the SBI, the RBI issued prohibitory orders in April, 1997 under section 45MB(1) & (2) directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI, RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by Delhi High Court. The Liquidator has initiated action to crystallize the assets and liabilities of the company.

(c) to (e) In view of these developments, the Government has asked the regulators, i.e., RBI and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB Capital Markets Ltd. At the operative level an inter-departmental group comprising representatives of Central Bureau of Investigation (CBI), RBI, SEBI and the State Government has been constituted to ensure concerted action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies.

The recent amendment to RBI Act inter-alia, include mandatory requirement for registration, minimum net owned funds, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. The regulatory mechanism for non-banking financial companies (NBFCs), thus, stands considerably strengthened. Operationally, the RBI has already initiated action to strengthen the supervisory mechanism in the light of the recommendations of the Khanna Committee. In so far as the criminal investigation and other legal proceedings are concerned, it is not possible at this juncture to fix any definite time frame for their completion.

**International Funds for Human Resource Development**

607. SHRI T. GOVINDAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government is considering the request from the Government of Kerala with regard to international funding for Human Resource Development, a project to consolidate and strengthen its advantages in the human resources front;

(b) if so, the details thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) and (c) The total cost of the project is Rs. 148 crore. The Project seeks to upgrade the skills of the existing workforce in Kerala which would enable Industries in the State to take advantage of the liberalised environment in economy and opportunities offered through access to new technologies and to enable all sub sector of industry in Kerala to utilise human resource potential more effectively.

The project proposal was forwarded to World Bank on 25.6.96 for consideration. The comments of the World Bank were forwarded to Government of Kerala for their response. Further, pursuant to the request of Government of Kerala, the proposal was also posed to ODA on 5.3.97 for external assistance. Further course of action will depend upon the response of Govt. of U.K.

#### Income Tax Dues

608. DR. MURLI MANOHAR JOSHI: Will the Minister of FINANCE be pleased to state:

(a) the details of the income tax dues from M/s. Aprna Studio-Gurgaon, M/s. Aprna Ashram-New Delhi and Associated Institutions, M/s. Aprna Aviation Pvt. Ltd., New Delhi and M/s. Dhirendra Yoga Publication, New Delhi;

(b) the steps taken to realise the dues; and

(c) the result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Dues outstanding against the following concerns are as under:-

Name of the concern	Income-tax demand outstanding (Rs. in lakhs)
1. M/s. Aprna Studio Pvt. Ltd.	80.21
2. M/s. Aprna Ashram	4655.34
3. M/s Aprna Aviation Pvt. Ltd.	1.77
*4. Late Swami Dhirendra Brahmachari (Individual)	45.51

\*Income from sale of yoga books has been shown in individual return for Assessment Year 1990-91.

(b) and (c) For realising the dues against M/s. Aprna Studio (P) Ltd., studio at Sikokra near Gurgaon and property at K-50, Friends Colony, New Delhi, have been attached under Rule 48 of II Schedule of Income-tax Act, 1961. However, further action for sale of these properties has not been taken as one of the directors of the company has contested the attachment.

In regard to M/s. Aprna Ashram, properties belonging to the trust at Muzaffarnagar (U.P.) and Gurgaon (Haryana) have been referred to the Tax Recovery Officer (TRO) for

attachment and sale of the same, TRO, Jammu has also been asked to take recovery action in respect of properties located in J & K. Bank deposit of Rs. 6,58,368/- have been recovered through attachment. Similarly, TRO has also effected recovery of Rs. 2,95,703/-.

The issue of legal heirs of Late Dhirendra Brahmchari has been settled by the High Court. In regard to demand outstanding against Late Dhirendra Brahmchari (Indl.), recovery action has been initiated by notice under section 221 of the Income-tax Act having been served on the legal heirs.

[Translation]

#### Study and Training Tours by Officers of CIL

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

(a) the number of officers of Coal India Limited sent abroad for training during each of the last three years; subsidiary Unit-wise;

(b) the number of officers who have retired after getting the training, the number of days they worked after their training, subsidiary Unit-wise;

(c) the nature of training and study for which the officers of different categories were sent abroad; and

(d) the amount spent there on during each of the last three years?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Subsidiary-wise break-up of executives of Coal India Limited sent abroad for training and study tours during the last three years is as under:-

Company	1994-95	1995-96	1996-97
Eastern Coalfields Limited	10	-	9
Bharat Coking Coal Limited	6	3	5
Central Coalfields Limited	23	4	7
Western Coalfields Limited	-	-	2
South Eastern Coalfields Ltd.	2	12	7
Mahanadi Coalfields Limited	-	2	2
Northern Coalfields Limited	3	5	2
Central Mine Planning and Design Institute	1	9	1
North Eastern Coalfields	-	-	1
Coal India Limited (HQ)	-	5	1
Total	45	40	37

(b) Five officers have since superannuated as on 30.6.97 after getting training abroad during the last 3 years. Details are as under:-

Sl. No.	Name & Designation	Name of Company	No. of days worked after training
1.	Sri G Kurien, Director (Pers.)	ECL	344 days
2.	Sri A Sattar CGM.	SECL	458 days
3.	Sri A.K. Gulati, CMD.	BCCL	576 days
4.	Shri C.K.V.N. Rao, Director (Tech.)	BCCL	426 days
5.	Sri R.A.P. Singh, Director (P&IR)	CIL (HQ)	169 days

(c) The training programmes and study tours for which the officers were sent abroad were broadly on "Environment Impact Training", "O/C Mining and Quarrying", "Coal Mines Safety", "Environment Assessment & Management", "Investment Appraisal & Management", "Advanced Management", "Project Management", etc. However, the information relating to the nature of training and study tours for which the officers of different categories were sent abroad is quite voluminous. The efforts and labour involved in collecting/furnishing the same will not be commensurate with the purpose sought to be achieved.

(d) The amount spent during the last three years is as under:-

1994-95	Rs. 36,72,607
1995-96	Rs. 50,86,268
1996-97	Rs. 45,63,020 (Prov.)

[English]

#### Regional Offices of SEBI

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

(a) the names of the regional offices of SEBI in the country, location-wise;

(b) the number of complaints resolved by these regional offices since their inception, office-wise;

(c) whether the Government have vested these office with greater powers with regard to registration, vetting of initial public offer documents and redressal of grievances of investors; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) According to information furnished by SEBI, names of the Regional Offices of SEBI and their locations are given below:-

Regional Office	Location
Northern Regional Office	New Delhi
Eastern Regional Office	Calcutta
Southern Regional Office	Chennai

There is no separate Regional Office for the Western Region. However, SEBI Head Office located at Mumbai attends to all matters related to the Western Region.

(b) According to SEBI the number of complaints resolved by the regional offices since their inception office-wise is given below:-

Region	No. of complaints resolved
Northern Region (upto July 15, 1997)	18,154
Eastern Region (upto June 30, 1997)	5,400
Southern Region (upto June 30, 1997)	9,941

(c) and (d) SEBI has vested its Regional Offices with powers to grant registration and renewal of merchant bankers of category II to IV and and category-II Registrars and Share Transfers Agents. The offer documents for issue size upto Rs. 20 crores will have to be filed with the Regional Offices of SEBI within whose jurisdiction the registered office of a company is located. Since January 1, 1997 the regional offices have also been empowered to executively attend to the complaints of the investors against companies whose registered offices are located within their jurisdiction.

#### Forex Reserves

611. DR. LAXMINARAYAN PANDEY: Will the Minister of FINANCE be pleased to state:

(a) the position of Forex reserves as on March 31, 1997;

(b) its comparison with the reserves of earlier two years;

(c) the implication of spurt in Forex reserves; and

(d) the details of short term and long term fiscal strategies evolved to boost the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) India's foreign exchange reserves, including gold and Special Drawing Rights (SDRs), amounted to US \$ 26.42 billion at the end of March 1997 compared with US \$ 21.69 billion at the end of March 1996 and US \$ 25.19 billion at the end of March 1995.

(c) The rise in foreign exchange reserves, *ceteris paribus*, by increasing the money supply in the economy, is a potential source of pressure on the general level of prices. The expansionary impact of the recent spurt in foreign exchange reserves on money supply and prices has been countered by a tight monetary policy. On the other hand, a higher level of foreign exchange reserves strengthens the balance of payments and the exchange rate, and boosts the confidence of India's international investors.

(d) Fiscal policy in the short and medium terms, in conjunction with monetary policy, is geared towards achieving a rapid growth in incomes and productive employment in a environment of price stability. The fiscal strategy includes measures for reduction in fiscal deficit to a sustainable level, an comprehensive incentive-oriented tax reform programme and expenditure reform strategy that help to promote domestic savings and investment in certain key sectors.

#### **Development of Silk Industry**

612. SHRI KESHAB MAHANTA: Will the Minister of TEXTILES be pleased to state:

(a) the details of Action Plan of the Government for the development of Silk Industry in North-Eastern States, particularly in Assam; and

(b) the steps being taken for necessary research, extension, infrastructural and training support for development of sericulture in Assam?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) A North-East Action Plan for development of mulberry and muga sericulture in the North-Eastern region is being implemented in collaboration with the State Governments from 1995-96. The project includes mulberry and non-mulberry components and the entire non-mulberry components of Rs. 3.59 crores is met by Central Silk Board (CSB). In the mulberry component of Rs. 12.89 crores, CSB bears Rs. 6.03 crores. The project is to be implemented over a period of 3 years from 1995-96 and aims at development of 7500 acres of mulberry plantation and all acres of non-mulberry plantation. The CSB's expenditure in North-East Action Plan upto 31.3.1997 has been Rs. 3.08 crores.

The Assam component of Action Plan involves an outlay of Rs. 5.02 crores of which, CSB will bear Rs. 4.56 crores while remaining Rs. 0.46 crore will be born by Government of Assam. The mulberry sericulture development programme in Assam is to develop 2000 areas of mulberry covering 4000 farmers, supply of 1000 silkworm rearing kits, providing assistance to reeling, establishing of one Research Extension Centre, one Project Office, five

Technical Service Centres, training to 4000 farmers and 40 reelers. Besides, it also aims for developing 20 acres of Basic Seed Farm, 16.4 acres of nucleus farm and mulberry nursery.

The programme envisaged under non-mulberry sector in Assam is to augment 945 acres of muga food plants, establishment of two Muga Seed Production Centres, training 140 muga silk reelers, assistance four muga cooperative societies and supply of muga silk reeling machines. For ericulture, the programme covered is augmentation of 222 acres eri food plants, setting up one Silkworm Seed Production Centre, assisting 5 societies for marketing and processing eri cocoons.

(b) In order to supplement the efforts of the State Government the following infrastructural facilities for research & development, training and extension support have been established by the Central Silk Board in Assam for development of sericulture:-

#### **I. Under Normal Plan Programme**

##### **MULBERRY**

1. Regional Sericulture Research Station, Jorhai.
2. Research Extension Centre, Mangaldoi.
3. Sericulture Training Schools, Jorhat.

##### **MUGA**

1. Central Muga Research & Training Institute, Ladoigarh (Jorhat), being established.
2. Regional Muga Research Station, Boko
3. Muga Research Extension Centre, Sibsagar.
4. Muga Raw Material Bank, Sibsagar (with 2 sub-depots at Dhakukhana and Guwahati)

##### **ERI**

1. Eri Research & Training Institute, Mebdipather, Meghalaya (Services Assam also)
2. Research Extension Centre, Diphru.

##### **TASAR**

1. Basic Seed Multiplication & Training Centre, (Oak tasar) Umrangsu.

#### **II Under the National Sericulture Project**

1. One Mulberry Basic Seed Production Farm-cum-Grainage, Rawriah.
2. Nine Technical Service Centres.
3. One Reeling Demonstration-cum-Training Centre.
4. Two Cocoon Drying Chambers.
5. One Cocoon Market-cum-Cocoon testing and Grading Unit.

**Investment by ICICI in Private Companies**

613. SHRI JAGAT VIR SINGH DRONA: Will the Minister of FINANCE be pleased to state:

(a) the aggregate cost of Unlisted Equity shares of private companies purchased by ICICI during 1.4.92 to 31.3.96;

(b) the aggregate cost of Listed Equity Shares of private companies purchased through private placement or Bought-out deals by ICICI during 1.4.92 to 31.3.96;

(c) the aggregate cost of Unlisted Convertible debentures of private companies purchased by ICICI during 1.4.92 to 31.3.96.

(d) the aggregate cost of Listed Convertible debentures of private companies purchased through private placement or Bought-out deals by ICICI during 1.4.92 to 31.3.96; and

(e) the aggregate Dividend received from the companies given in (a) and (b) separately during 1.4.95 to 31.3.96?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available.

**Excise Duty on the Retail Sale Price**

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

(a) whether there is any proposal under consideration of the Government to levy Excise duty on the retail sale price;

(b) if so, the reasons therefor; and

(c) the time by which the proposal is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Vide the Finance Act, 1997, a new Section 4A has been inserted in the Central Excise Act, 1944 so as to enable the Government to charge excise duty on specified excisable goods with reference to retail sales price. Wherever there is an unreasonably wide gap between the assessable value and the maximum retail sale price or there is an attempt to manipulate or underdeclare the assessable value, the provisions of this new section could be invoked to prevent leakage of excise duty by means of undervaluation. The provisions of this Section have been invoked in respect of cosmetics and toilet preparations falling under heading Nos. 33.03 to 33.05 and 33.07 of the Central Excise Tariff with effect from 1st July, 1997. It has been decided that fifty percent of the 'retail sale price' of such goods will be treated as assessable value for charging excise duty.

**Modernisation of Powerloom**

615. SHRI MAHESH KUMAR M. KANODIA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have received an proposal from the Government of Gujarat and Maharashtra for modernisation of powerloom in the above states;

(b) if so, the details thereof; and

(c) the financial assistance proposed to be provided to the States in this regard?

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

(a) No, Sir. The Government have not received any proposal from the Government of Maharashtra and Gujarat for the modernisation of powerloom in these States.

(b) and (c) Does not arise.

**Protection of Investors from Financial Irregularities**

616. SHRI VIJAY GOEL:

SHRI VIJAY PATEL:

SHRI L. RAMANA:

SHRI UTTAM SINGH PAWAR:

SHRI SANDIPAN THORAT:

Will the Minister of FINANCE be pleased to state:

(a) the name of non-banking financial companies in which inspection has been undertaken by the Government during the last one year;

(b) the details of major frauds/instances of financial irregularities detected so far with estimated funds involved in each case during the last one year;

(c) the present stage of investigation and the action taken against those involved in frauds;

(d) whether the Government have reviewed in depth the operation of such companies and taken effective and comprehensive measures to protect the interests of investors;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Non-Banking Financial Companies (NBFCs) are inspected by Financial Companies Wing of Department of Supervision in the Reserve Bank of India (RBI) normally as per the inspection programme drawn by the Regional Offices and approved by Central Office of RBI. 90 NBFCs have been inspected by RBI during 1996-97.

(b) According to RBI a major fraud relating to CRB

Capital Markets Ltd. came to notice during this year. The exact amount involved in CRB Capital Markets cannot be ascertained till completion of investigation by CBI. Wherever serious irregularities have been observed, RBI have issued show-cause notices/prohibitory orders. RBI have so far issued prohibitory orders in respect of 12 companies in 1997.

(c) In the case of CRB Capital Markets Ltd. Provisional Liquidator has been appointed by Delhi High Court. CBI are also investigating the matter.

(d) to (f) RBI had appointed an expert group for designing a supervisory frame-work on Non-Banking Financial Companies' in April 1995 under the Chairmanship of Shri P.R. Khanna, Chartered Accountant. In pursuance of the recommendations of this Committee a comprehensive inspection manual has been prepared dealing, inter-alia, with on-site inspection of large size NBFCs with emphasis on ascertaining quality of assets. RBI have also initiated development of off-site surveillance mechanism to monitor financial health of NBFCs.

#### Pending Court Cases

617. SHRI KACHARU BHARU RAUT:  
SHRI KRISHAN LAL SHARMA:  
SHRI ASHOK PRADHAN:  
SHRI SATYA PAL JAIN:  
SHRI DATTA MEGHE:  
SHRI GORDHANBHAI JAVIA:

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

(a) the position of disposal and pending of criminal and civil cases in the Supreme Court and High Courts, court-wise;

(b) the increase in registration of fresh cases and backlog during each of the last three years, court-wise; and

(c) the steps taken/proposed to be taken by the Government for speedy disposal of pending cases?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) and (b) The available information is given in attached Statements I-IV.

(c) Apart from amending the procedural laws from time to time, Government has taken a series of steps to simplify procedures and speed up disposal of cases on the basis of the advice and recommendations of expert bodies like the Law Commission. Conference of Law Ministers, Chief Ministers and Chief Justices and others concerned with the administration of Justice are held periodically and the recommendations and conclusions emerging from such exchanges and consultations are implemented and their progress closely monitored.

#### Statement-I

##### *Institution, disposal and pendency of cases in the Supreme Court of India*

Year	Institution			Disposal			Pendency		
	Admission matters	Regular matters	Total	Admission matters	Regular matters	Total	Admission matters	Regular matters	Total
1994	29,271	12,775	42,046	35,853	12,037	47,890	30,967	21,983	52,950
1995	35,689	15,754	51,443	51,547	16,790	68,337	15,109	20,947	36,056
1996	26,778	6,628	33,406	35,227	10,989	46,216	6,660	16,586	23,246

#### Statement-II

##### *No. of cases Instituted, disposed of and pending as on 31st December, 1994*

Sl. No.	Name of the High Court	No. of cases Instituted	No. of cases disposed	No. of cases pending
1	2	3	4	5
1.	Allahabad	136732	92745	779313
2.	Andhra Pradesh	105002	90255	134560
3.	Bombay	99084	88000	201476
4.	Calcutta	51255	44870	241888

1	2	3	4	5
5.	Delhi	53981	45850	146613
6.	Gauhati	17081	12665	29158
7.	Gujarat	40433	40815	96318
8.	Himachal Pradesh	16778	19826	16996
9.	J&K	28887	12542	90507
10.	Karnataka	63627	51335	151566
11.	Kerala	86148	58839	169530
12.	Madhya Pradesh	66805	67693	84560
13.	Madras	124475	86702	351104
14.	Orissa	31931	26222	47970
15.	Patna	69153	58395	96989
16.	Punjab & Haryana	97684	76609	145180
17.	Rajasthan	53875	44198	92081
18.	Sikkim	99	127	49
Total:		1143030	917688	2875858

**Statement-III***No. of cases Instituted, disposed of and pending as on 31st December, 1995*

Sl. No.	Name of the High Court	No. of cases Instituted	No. of cases disposed	No. of cases pending
1	2	3	4	5
1.	Allahabad	135529	96328	818512
2.	Andhra Pradesh	122188	108100	148648
3.	Bombay	94689	79054	217111
4.	Calcutta	59691	47210	254369
5.	Delhi	54362	52763	148212
6.	Gauhati	18828	16615	31371
7.	Gujarat*	9813	14178	91953
8.	Himachal Pradesh	17637	14197	20436
9.	J&K	21700	18507	93700
10.	Karnataka	72586	62659	161493
11.	Kerala	90466	62973	197023
12.	Madhya Pradesh	69787	68205	86142
13.	Madras	110552	159295	302361
14.	Orissa	33347	29375	51942



1	2	3	4	5
15.	Patna	69348	70892	95445
16.	Punjab & Haryana	97218	92313	150035
17.	Rajasthan	49125	45833	95368
18.	Sikkim	166	145	70
Total:		1127032	1038642	2964191

\*As on 31-3-1995

## Statement-IV

*No. of cases Instituted, disposed of and pending as on 31st December, 1996*

Sl. No.	Name of the High Court	No. of cases Instituted	No. of cases disposed	No. of cases pending
1	2	3	4	5
1.	Allahabad	163920	116977	865455
2.	Andhra Pradesh	120997	134024	135621
3.	Bombay	91621	74674	234058
4.	Calcutta	68424	58481	264312
5.	Delhi	57812	52487	153537
6.	Gauhati	20958	19311	33018
7.	Gujarat	N.A.	N.A.	139821
8.	Himachal Pradesh	14599	16505	17166
9.	J&K	21567	18853	96414
10.	Karnataka	70739	81267	150965
11.	Kerala	101492	80692	217823
12.	Madhya Pradesh	N.A.	N.A.	75616
13.	Madras	105442	97163	310640
14.	Orissa	47666	32788	66820
15.	Patna	76743	78878	93310
16.	Punjab & Haryana	117304	105807	161562
17.	Rajasthan*	40123	39975	95496
18.	Sikkim	216	209	88
Total:		1119623	1008091	3111722

\*As on 30-9-1996

## Photo Identity Cards

to all citizens in all the States;

618. SHRI DHIRENDRA AGARWAL: Will the Minister of LAW AND JUSTICE be pleased to state:

(b) If so, the details thereof as on March 31, 1997, State wise;

(a) whether photo identity cards have been issued

(c) If not reasons therefor;

(d) whether any target date has been fixed to issue photo identity cards to all citizens;

(e) if so, the details thereof; and

(f) the steps being taken to ensure that these cards are issued at the earliest?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (f) The requisite information is being collected and will be laid on the Table of the House.

#### Export of Mango Products

619. SHRI VIJAY PATEL: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of mango products have been discontinued due to loss;

(b) if so, the amount of losses suffered;

(c) whether the Government proposes to revive the export; and

(d) if not, the reasons therefor?

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

(b) to (d) Do not arise.

[Translation]

#### Export of Cars

620. SHRI NAWAL KISHORE RAI:

JUSTICE GUMAN MAL LODHA:

PROF. PREM SINGH CHANDUMAJRA:

Will the Minister of INDUSTRY be pleased to state:

(a) the number of various types of vehicles including cars exported during 1996-97 and total value thereof;

(b) the number of vehicles imported during the said period;

(c) the estimated total number of persons employed in the said industries;

(d) whether these industries imported spare parts of various vehicles during the said period; and

(e) if so, the details thereof alongwith value of import?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No. of various types of vehicles exported during 1996-97 and total value thereof:-

Type of vehicles	No. of vehicles	Value (April, 96 to Sept, 96)
Commercial Vehicles	14276	Rs. 461 crores
Cars	37161	
Multiutility Vehicles	2044	
Two wheelers	125131	
Three wheelers	21973	
Total	200585	

(b) Data relating to number of vehicles imported during 1996-97 has not been maintained centrally by the Director General Foreign Trade.

(c) Total number of persons employed in the automotive industry are:-

(1) Direct - 0.2 million (approx.)

(2) Indirect - 10 million (approx.)

(d) and (e) Imports of spare parts are under Open General Licence and thus their imports do not require Government approval. Therefore, such data is not maintained centrally by the Director General of Foreign Trade.

#### Computerisation of Banks

621. SHRIMATI KETAKI DEVI SINGH:

SHRI ANNASAHIB M.K. PATIL:

SHRI PANKAJ CHOWDHARY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have issued any directives for full computerisation of Banks so as to increase the efficiency in the functioning of the banks, to bring down transaction cost considerably and to provide proper facilities to the customers;

(b) if so, the details, thereof; and

(c) the number of Banks likely to be computerised fully by the end of 1997?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No directions have been issued by the Government in this regard.

(b) Does not arise.

(c) According to Reserve Bank of India (RBI) the number of branches (excluding service branches) of Indian Public Sector Banks which have been fully computerised upto 31st March, 1997 are 2197.

[English]

**Export of Cycles**

622. SHRI BHAGWAN SHANKAR RAWAT: Will the Minister of COMMERCE be pleased to state:

(a) the number of cycles exported and the foreign exchange earned therefrom during each of the last two years, country-wise; and

(b) the steps taken by the Government to boost the export of cycles?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) The number of cycles exported and the foreign exchange earned therefrom during each of the last two years are given below:-

(Quantity in Numbers)

(Value: Foreign Exchange equivalent in Rupees crores)

Year	Quantity	Value
1995-96	10,08,979	140.99
1996-97	N.A.	128.59

(Provisional)

The major countries to which cycles have been exported from India are:

(Value in Rs. crores)

Country	1995-96	1996-97
Bangladesh	1.86	1.92
Denmark	4.95	3.17
France	15.02	1.56
Germany	17.18	11.93
Kenya	8.57	3.29
Malawi	4.21	7.42
Mali	1.73	6.49
Mayanmar	1.77	0.88
Mozambique	5.32	7.87
Nigeria	5.83	2.07
Peru	1.43	1.22
South Africa	1.46	1.87
Sri Lanka	3.31	1.15
Tanzania Rep.	3.67	2.39
UK	32.13	22.11
USA	5.49	25.25
Zaire Rep.	3.04	1.74
Zambia	1.25	1.38

(b) Apart from the facilities/concessions indicated in the Export-Import Policy, through Engineering Export Promotion Council, an organisation sponsored by Ministry of Commerce, measures such as sponsoring visits of delegations abroad to study modernisation and technical upgradation, conducting buyer-sellers' meet etc. are being carried out in respect of export of bicycles.

**Cable Industry**

623. SHRI SRIBALLAV PANIGRAHI: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are aware that cable industry is facing serious recessions and the industry is dying;

(b) if so, whether the Government have made any survey in this regard;

(c) if so, the reasons for such recession and if not, the reasons therefor; and

(d) the remedial measures taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) The Government have not received any representations from cable manufacturers in this regard.

[Translation]

**LIC Agents**

624. SHRI THAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state:

(a) the number of L.I.C. agents during 1995-96, 1996-97 and 1997-98;

(b) the amount given as commission to these agents during above period, year-wise;

(c) whether the Government propose to increase the amount of commission for these L.I.C. agents and also provide them more facilities; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The number of LIC agents is as follows:

(1) Year ended 31.3.1996:	5,37,117
(2) Year ended 31.3.1997:	5,69,675

(Provisional)

For 1997-98 figures are not presently available.

(b) Figures of amount paid as commission to Agents of LIC are given below:

	(Rs. in Crores)
(1) Year ended 31.3.1996:	1073.00
(2) Year ended 31.3.1997:	1300.00

(c) and (d) LIC agents are paid commission as per Agents Rules. Agents are already given facilities by way of advance for conveyance, telephone, computer, office equipments, housing, festivals, etc.

[English]

#### Import of Tyres

625. SHRI MULLAPPALLY RAMACHANDRAN:

SHRI CHITTA BASU:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have taken any decision to import new rubber tyres and retreaded tyres;

(b) if so, details thereof;

(c) whether the Indian Tyre Manufacturers Association have submitted a memorandum stating that the decision of the Government to freely import new as well as retreaded tyres of cars, tractors and other vehicles should be reviewed; and

(d) if so, the reaction of the Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Under the current Export & Import Policy, import of new and retreaded tyres is permitted freely.

(c) and (d) Yes, Sir. Representation has been received from Automobile Tyres Manufacturers' Association and a decision on the representation shall be taken in consultation with the concerned administrative Ministries/Departments.

#### Fixed Deposits by Companies

626. SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to permit some selected companies to raise fix deposits;

(b) if so, the criteria worked out for selecting the companies;

(c) the names of the companies granted permission in this regard so far;

(d) the steps taken to safeguard the interest of investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) (a) No, Sir.

(b) and (c) Do not arise.

(d) The companies raising deposits have to adhere to the provisions of Section 58A of the Companies Act and the Companies (Acceptance of Deposits) Rules, 1975 or the provisions of the Reserve Bank of India Act, 1934 and RBI Directions, as the case may be.

Sub-section 58A(9) and 58A(10) of the Companies Act, 1956 provide a mechanism for redressal to the investor when a company fails to repay any deposit or part thereof in accordance with the terms and conditions of such deposit.

[Translation]

#### Inflation Rate

627. SHRI S.P. JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether rates of all consumer goods and inflation rate are constantly increasing after announcement of general budget this year;

(b) if so, the quantum of increase in consumer price index registered every month; and

(c) the rate of inflation recorded in the same period of 1994-95 and 1995-96?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The rise in the price of consumer goods as reflected in the movement of Consumer Price Index for Industrial Workers (base, 1982 = 100) indicates that annual point-to-point inflation which had registered a rise of 10.8 per cent in February, 1997 decelerated to 7.3 per cent in May, 1997.

(b) Monthly Increase in the Consumer Price Index registered between February 1997 to May 1997 is listed below:

Month	% increase in CPI over preceding month
February	0.0
March	0.3
April	0.9
May	-0.6

(c) The annual inflation rate for each month since February, 1997 together with the rates for the corresponding period of 1994-95 and 1995-96 is listed below:

Month	Annual Inflationary rise in Consumer Price Index (%)		
	1997	1996	1995
February	10.8	8.6	9.8
March	10.0	8.9	9.7
April	9.3	9.8	9.7
May	7.3	9.3	10.3

[English]

#### Bank Branches of RRB in Azamgarh

628. DR. BALIRAM: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of Regional Rural Banks working in the rural areas of Azamgarh in Uttar Pradesh;

(b) the amount of loans disbursed during the last two years;

(c) the percentage of loan disbursed in comparison with the total deposits in the bank during the said period;

(d) whether the loan worth lakhs of rupees have been given against fake names;

(e) if so, whether the Government have conducted any enquiry in this regard; and

(f) if so, the outcome thereof and the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As reported by National Bank for Agriculture & Rural Development (NABARD), 64 branches of Samyut Kshetriya Gramin Bank are functioning in the rural areas of Azamgarh District of Uttar Pradesh.

(b) The amount of loans disbursed by Samyut Kshetriya Gramin Bank during the years 1994-95 and 1995-96 (latest available) were as under:-

(Rs. in lakhs)

Year	Amount
1994-95	1911.59
1995-96	1843.00

(c) The percentage of loans outstanding in comparison to the total deposits of the said Regional Rural Bank during the years 1994-95 and 1995-96 were as under:-

Year	Loans outstanding	Deposits	(Rs. in lakhs) Percentage of loans to deposits
			(as at end March)
1994-95	7624	26919	28.32
1995-96	7845	33404	23.48

(d) to (f) NABARD have reported that they have no information regarding loans provided in fake names and that no such cases have been reported to NABARD during the last two years.

#### Separate Directorate for SSI

629. SHRI SHANTILAL PARSOTAMDAS PATEL:

SHRI HARIN PATHAK:

Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal under consideration of the Government for creation of a separate Directorate for small scale industrial units in all the States for taking proper decisions for promoting small scale industries;

(b) if so, the details thereof;

(c) whether the Government propose to hold any census of small scale industries in the country; and

(d) if so, the details thereof alongwith the details of the last census held and latest census likely to be held?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The Department related Parliamentary standing Committee in its 21st report recommended a separate Directorate or Ministry for the Small Scale Industry in the States. States have been requested to take necessary action.

(c) and (d) Yes, Sir. The third Census of registered small scale industries in the country is proposed to be conducted during the year 1999-2001. The last census was conducted during 1989-1992 with reference year 1987-88. Salient features are attached as Statement.

**Statement***Second All India census of registered small scale industrial units: 1987-88 conducted during 1989-92***RESULT AT A GLANCE**

Distribution of Units:		Classification of Working Units	
1	2	3	4
Frame (31.3.98)	9,86,861	Small Scale Industries	96.24%
Non-traceable	57,041	Ancillary Industries	0.52%
Closed	3,04,856	Small Service Establishments	3.24%
Working units for		Proprietary	80.48%
which data tabulated	5,82,368	Partnership	16.84%
		Limited Company	2.01%
		Engaged in Manufacturing	50.19%
<b>Located in areas</b>		activity only	
Rural	42.17%	Engaged in Processing	15.23%
Urban	47.97%	activity only	
Metropolitan	9.86%		
Backward area	62.19%		
		Managed by SC Entrepreneures	6.84%
closed units for		Managed by ST Entrepreneures	1.70%
which data tabulated	3,01,390		
		Managed by Women Entrepreneures	7.69%
		Registered under Factories Act	7.53%
<b>Closure due to Problems</b>			
Financial	34.73%		
Marketing	14.42%	Tiny Units	95.90%
Raw Materials	5.64%		
<b>Important Parameters</b>		<b>Ratios</b>	
Description	Total	Per	4.62
		Unit	
Fixed Investment	9,29,603	1.60	1.10
(Book Value)			
(Rs. lakhs)			
Investment in P&M	5,54,258	0.95	3.94
(Original Value)			
(Rs. lakhs)			
Working Capital	7,14,826	1.23	
(Rs. lakhs)			

1	2	3	4	
Production (Rs. lakhs)	42,97,205	7.38	Gross Value Added/ Employment (Rs. '000)	30.14
Employment (Nos.)	36,65,810	6.29	Net Value Added Employment (Rs. '000)	27.99
Capacity Utili- sation	50.60%	..	Wages Paid/Employment (Rs. '000)	6.27
Value of Exports (Rs. lakhs)	2,49,902			
Total Products manu- factured (Nos.)	7449			
Leading Reserved Products manufactured (Nos.)	843			

#### Import of Rice

630. SHRI VINAY KATIYAR:

SHRI SHIVRAJ SINGH:

DR. M. JAGANNATH:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have permitted to import the rice during the current year as reported in "The Hindustan Times" dated May 30, 1997;

(b) if so, the reasons therefor;

(c) the quantity of rice likely to be imported during the current financial year;

(d) the impact of this import on the prices of rice in the country; and

(e) the steps taken by the Government to boost the production of rice?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) Import of common/coarse varieties of rice and rice with 50% or more broken has been permitted freely after review of the emerging trends in supply and stock of rice by the Government with effect from 27.5.97.

(c) and (d) It is not possible to accurately estimate the quantum of imports as they would depend upon the prices prevailing in the international and domestic markets, demand and supply of different varieties traded, variation in quality and other terms of trade.

(e) Some of the measures taken to increase production and productivity of rice are the implementation of the following Centrally Sponsored/Central Sector Schemes:-

(1) Integrated Cereals Development Programme in Rice Based Cropping System Areas (ICDP-Rice)-assistance is being provided to the farmers for the use of certified seeds of high yielding varieties and improved farm implements including sprinkler sets and power tillers. Besides, assistance is also provided for encouraging the use of green manure and soil ameliorants.

(2) Central Sector Rice Seed Minikit Programme including propagation of improved crop production technology-seed minikits of Rice are provided to the farmers at nominal cost for propagation of new varieties with biotic and abiotic resistance and also for organising training by the Agricultural Universities/ICAR Research Institutions to the State/District Level Agriculture Officers for dissemination of improved crop production technology.

#### VRS for Textiles Workers of Maharashtra

631. SHRI SURESH R. JADHAV: Will the Minister of TEXTILES be pleased to state:

(a) whether any proposal has been received from the Maharashtra Government regarding Voluntary Retirement Scheme for workers/staff in the mills run by Maharashtra State Textile Corporation and Textile Corporation of Maharashtra Ltd.; and

(b) if so, the steps taken/being taken by the Government for early approval of the proposal?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) The Government of Maharashtra has requested

for assistance of Rs. 74.83 crores from the National Renewal Fund for payment of Gratuity and compensation under the Voluntary Retirement Scheme to the staff of the Maharashtra State Textile Corporation Ltd. and the Textile Corporation of Marathwada Ltd. However, assistance from the National Renewal Fund is provided for implementation of Voluntary Retirement Scheme in Central Public Sector Undertakings and counselling/retraining/redeployment of rationalised workers only.

#### **N.P.A. Due to Industrial Houses**

632. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether loan amounting to thousands of crores of rupees advanced by public sector banks and financial institutions are classified as bad and doubtful debts;

(b) if so, whether a substantial portion of these non-performing assets have been given to industrial houses;

(c) if so, whether these industrial houses had managed to secure these loans deposit their (earlier) doubtful loans written off as bad debts;

(d) if so, whether some bank officials have been found to be not following the laid down guidelines in advancing loans to these industrial houses during the last five years;

(e) if so, action taken or proposed to be taken against them, and

(f) the measures taken or proposed to be taken to minimise the details of amount of bad and doubtful debts in public sector banks and financial institutions?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Public sectors banks classify advances into performing (standard) and non-performing (NPAs) categories bases on the record of recovery. The NPAs are further classified into the following depending upon a number of sectors including the age of NPA and the realisability of asset:

1. Substandard
2. Doubtful
3. Loss assets.

(b) The present data base of Reserve Bank of India (RBI) does not generate specific information relating to credit to industrial houses.

(c) to (e) The information is being collected and to the extent available will be laid on the Table of the House.

(f) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks;

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery

of dues, targetted level of reduction, norms for permitted sacrifices/waiver etc.

2. Reduction of NPAs through compromise/write-offs, through negotiated settlements to ensure maximum recovery at minimum expense.

3. Two banks have been permitted to set up settlement Advisory Committees headed by a retired Judge of High Court to scrutinise compromise proposals and make objective recommendations.

4. Setting up of Recovery Cells at Head Quarter and fixing of branchwise targets for reduction in NPAs. Performance of branches in recovery to be monitored by Head Quarter on monthly basis and Board of Directors kept informed of the progress of quarterly basis. RBI also monitors reduction of NPAs.

5. Setting up of Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Jaipur, Chennai, Guwahati and Patna and an Appellate Tribunal in Mumbai.

6. Compilation and circulation of list of defaulters suit filed accounts.

7. Review of top 300 NPAs of public sector banks with special reference to the system prevailing in the banks to fix staff accountability.

#### **Abid Hussain Committee**

633. PROF. P.J. KURIEN: Will the Minister of INDUSTRY be pleased to state:

(a) the details of the recommendations of the Abid Hussain Committee implemented so far;

(b) whether small scale industries association have represented against its implementation; and

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

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The Government have taken action of the following recommendations of the Abid Hussain Committee on Small Enterprises:-

#### **1. Raising of Investment Limit:**

Government have taken a decision to raise the investment limit on plant and machinery for the small scale/ ancillary units from Rs. 60/75 lakhs to Rs. 300 lakhs as recommended by the Committee. The draft notification in this regard, has been laid on the Table of the Parliament on 20/21 March, 1997. the notification will be issued on the expiry of the 30 sitting days of the Parliament.

#### **2. Credit Needs of the Tiny Enterprises:**

Government have decided to earmark a minimum of sixty per cent of the priority sector lending allocated to the small scale sector for the tiny sector.

(b) and (c) Government have received representations



from some of the Small Scale industries associations for and against.

The investment limit for the small scale sector has been raised to set off the erosion in the value of rupee since 1991 and to enable the small scale units to meet the growing needs for technology upgradation so as to remain competitive. On dereservation issue, Government have decided to go in for dereservation in a phased manner as against the recommendation of the Committee for abolition of reservation entirely.

The Government have set up an Inter-Ministerial Committee to examine the various other recommendations of the Committee and to decide on the follow-up actions.

#### Hawala Racket in Syndicate Bank

634. SHRI RAMSAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Rs. 95 crores Hawala Racket is unearthed" appearing in the 'Times of India' dated December 20, 1996;

(b) if so, the details thereof;

(c) the action taken by the Government thereon; and

(d) how could the alleged 11 bogus forms be able to open fictitious bank accounts in Syndicate Bank when there are laid down guidelines for opening of bank accounts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Yes, Sir. Inspection of Syndicate Bank, Surat revealed remittances of foreign exchange worth about Rs. 95.53 crores during 1991-1995 out of 11 accounts on the basis of fake import documents. Enforcement Directorate has taken up investigations in the matter.

(d) First current account was opened with the introduction by an existing account holder. The other accounts were opened with the introduction of one to the other. The accounts were opened prior to 1.1.1994 when the system of obtaining photographs of the depositors was not there.

#### Extra Financial Assistance to States

635. PROF. JITENDRA NATH DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of West Bengal has demanded additional financial assistance from the Union Government for reconstruction/repair of damaged roads and bridges by floods in the State; and

(b) if so, the amount demanded by the State and the amount sanctioned by the Union Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) During last year (i.e. 1996-97). Govt. of West Bengal in their memoranda had requested for a sum of Rs. 26.30 crores out of National Fund for Calamity Relief (NFCR) for restoration and reconstruction of roads. Since the Calamity was not considered one of rare severity, no assistance out of NFCR was approved by the National Calamity Relief Committee (NCRC). However, based on the recommendation of NCRC the third and fourth quarterly instalments of Rs. 19.245 crores as Centre's Share of Calamity Relief Fund (CRF) due on 1st Oct., 96 and 1st Jan., 97 was released on 29.9.96 in advance to the State Govt. for meeting the expenditure on relief and rehabilitation.

#### High Powered Commission on Laws

636. SHRI CHITTA BASU:

SHRI G.A. CHARAN REDDY:

SHRI R. SAMBASIVA RAO:

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

(a) whether the Government have set up a High Powered Commission for reviewing and reforming antiquated laws, regulations and rules;

(b) if so, the composition of the Commission and the terms of reference thereof; and

(c) the time by which final report of the Commission is likely to be submitted?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Not yet. The Government has decided to set up a Commission.

(b) The Commission may consist of one Chairman, two fulltime Members and one Members Secretary.

(c) Time limit will be specified at the time of Constitution of the Commission.

#### Merger of MMTC and STC

637. SHRI ANNASAHIB M.K. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal under consideration of the Government for merger of Minerals and Metals Trading Corporation Ltd. and State Trading Corporation;

(b) if so, the details thereof and its present status;

(c) by when it is likely to be done; and

(d) the steps taken for filling up Board level vacancies in STC/MMTC?

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

(b) and (c) Do not arise.

(d) Necessary action to fill up Board level vacancies in STC/MMTC has already been initiated in consultation with Public Enterprises Selection Board (PESB)/Deptt. of personnel & Training.

[Translation]

#### India's Trade and Investment in Peru

638. PROF. OMPAL SINGH 'NIDAR': Will the Minister of COMMERCE be pleased to state:

(a) whether the Indian industrialists have been invited to increase investment and trade in Peru;

(b) if so, the details of the terms and conditions thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir. The President of Peru accompanied by a large delegation visited India in May 1997 and addressed gatherings of businessmen at New Delhi and Mumbai and invited the Indian entrepreneurs to visit Peru to explore the opportunities to enhance trade and investment between India and Peru.

(b) No specific proposals or terms and conditions have been discussed. However, during the visit of the President of Peru, an agreement was signed between the Federation of Indian Chambers of Commerce & Industry (FICCI) and Associated Chambers of Commerce and Industry (ASSOCHAM) on the Indian side and the Confederation of Private Enterprises (CONFIEP) on the Peruvian side for establishing a Joint Business Council. The main objective of this agreement is to carry out more systematically business promotional activities in trade, investment, technology transfer, services and other industrial sectors between the business communities of the two countries.

(c) Government welcomes the possibility of expanding trade and investment between India and Peru.

[English]

#### Prices of Cotton

639. SHRI N. DENNIS:

SHRI R. SAMBASIVA RAO:

SHRI SAMIK LAHIRI:

Will the Minister of TEXTILES be pleased to state:

(a) the per capita availability of cotton after the amount of raw cotton and garments exported during the Eighth Plan period;

(b) whether the Government are aware of the

problems being faced by the cotton mill owners due to shortage of good quality cotton and the rising prices of raw cotton; and

(c) if so, the steps taken by the Government to provide good quality of cotton for the indigenous textile industry and to check the prices of raw cotton?

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

(a) The per capital availability of cotton during the terminal year of the VIII Plan, viz; 1996-97, after deducting raw cotton exported and cotton exported in the form of ready made garments, has provisionally been estimated to be 3.06 Kg.

(b) and (c) There has been sufficient availability of cotton in general, including quality cotton, in the country for the Textile Mill Industry in the cotton season 1995-96 and 1996-97. However, since the cotton season is now coming to an end, quality cotton has now become somewhat scarce.

During the cotton year, the prices of cotton in 1996-97 have generally been lower as compared to the prices during the last two cotton seasons. The import of cotton is under O.G.L. with nil import duty, with a view to enabling the textile industry to meet its requirements through imports if it so desires. However, the actual imports have been only around 0.5 lakh bales in 1995-96.

#### List of Loan Defaulters

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

(a) whether the nationalised banks have urged to prepare a list of loan defaulters in their Banks;

(b) the total number of such defaulters in each banks and the total amount of loan involved; and

(c) the steps Government propose to take to recover such loan amount which has been outstanding for more than several years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) publishes as on March each year a list of borrowers with outstanding of Rs. 1 crore and above against whom suits have been filed by banks. Copies of such publication are made available to the Parliament Library. The details of bad debts written off by public sector banks during the last two years i.e. 1994-95 and 1995-96 are given in the attached Statement.

(c) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks:

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted sacrifices/waiver etc.

2. Reduction of NPAs through compromise/write-offs, through negotiated settlements to ensure maximum recovery at minimum expense.

3. Two banks have been permitted to set up settlement Advisory Committees headed by a retired Judge of High Court to scrutinise compromise proposals and make objective recommendations.

4. Setting up of Recovery Cells at Head Quarter and fixing of branchwise targets for reduction in NPAs. Performance of branches in recovery to be monitored by Head Quarter on monthly basis and Board of Directors kept informed of the progress on quarterly basis. RBI also monitors reduction of NPAs.

5. Setting up of Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Jaipur, Chennai, Guwahati and Patna and an Appellate Tribunal in Mumbai.

6. Compilation and circulation of list of defaulters suit filed accounts.

7. Review of top 300 NPAs of public sector banks with special reference to the system prevailing in the banks to fix staff accountability.

#### Statement

*Bad debts written off by the Public Sector Banks during the last two years*

Sr. No.	Name of the Bank	(Amount in crores)	
		1994-95	1995-96
1	2	3	4
<b>A. State Bank Group</b>			
1.	State Bank of India	363.72	398.69
2.	State Bank of Bikaner & Jaipur	39.25	24.98
3.	State Bank of Hyderabad	27.89	15.85
4.	State Bank of Indore	32.93	6.04
5.	State Bank of Mysore	50.61	5.72
6.	State Bank of Patiala	19.74	4.93
7.	State Bank of Saurashtra	18.95	4.02
8.	State Bank of Travandore	4.17	28.96
<b>B. Nationalised Banks</b>			
9.	Allahabad Bank	55.73	6.71
10.	Andhra Bank	38.78	1.95
11.	Bank of Baroda	270.27	46.42
12.	Bank of India	260.38	307.08

1	2	3	4
13.	Bank of Maharashtra	81.12	56.52
14.	Canara Bank	200.00	169.49
15.	Central Bank of India	144.12	138.44
16.	Corporation Bank	18.64	19.13
17.	Dena Bank	27.34	51.92
18.	Indian Bank	42.51	115.94
19.	Indian Overseas Bank	5.94	75.01
20.	Oriental Bank of Commerce	2.13	0.82
21.	Punjab National Bank	220.77	53.14
22.	Punjab & Sind Bank	1.70	2.86
23.	Syndicate Bank	24.84	8.03
24.	Union Bank of India	27.86	38.81
25.	UCO Bank	165.07	110.98
26.	United Bank of India	119.00	36.51
27.	Vijaya Bank	4.19	13.26
		2267.65	1742.21

#### Pending Excise Duty

641. SHRI JANG BAHADUR SINGH PATEL:

LT. GEN. (RETD.) PRAKASH MANI TRIPATHI:

Will the Minister of FINANCE be pleased to state:

(a) the number of central Excise cases pending with different authorities, till date, with amount involved therein;

(b) since when these cases are pending; and

(c) the reasons for not finalising the said cases and the steps taken for expeditious finalisation thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The information is being collected and will be laid on the Table of the House.

#### US Investment in Infrastructure Sector

642. SHRI SUBRAMANYAM NELAVALA:

SHRI MADHUKAR SARPOTDAR:

SHRI PRAKASH VISHWANATH PRANJPE:

SHRI KRISHAN LAL SHARMA:

SHRI SANTOSH KUMAR GANGWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether on the advice of the Prime Minister an Indian Delegation visited USA to urge the US investors to invest in the crucial infrastructure sectors in India;

(b) if so, the composition of the delegation and the details of the project proposals for sponsorship by the delegation;

(c) the extent to which the delegation met with a success;

(d) whether any business team has also visited India from USA to study the investment;

(e) if so, the details thereof; and

(f) the time by which the final agreement in this regard are likely to be reached?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (f) A joint Government/Business delegation led by the Cabinet Secretary visited USA in June, 1997 to apprise US investors of the latest initiatives taken by the Govt. of India to liberalise the infrastructure sectors with a view to making them more investor friendly, with special emphasis on roads and ports; petroleum and natural gas and coal. The details of the official members of the delegation is indicated below:

1. Shri T.S.R. Subramanian, Cabinet Secretary.
2. Shri N.P. Bagchee, Secretary, Ministry of Coal.
3. Shri Yogendra Narain, Secretary, Ministry of Surface Transport.
4. Dr. Shankar N. Acharya, Chief Economic Adviser, Ministry of Finance.
5. Shri Shyam Ghosh, Secretary, Department of Electronics (Only at San Jose).
6. Shri Pradeep Bajjal, Additional Secretary, Ministry of Power.
7. Dr. Avinash Chandra, Director General, Hydro Carbons, Ministry of Petroleum & Natural Gas.
8. Shri Dharendra Singh, Joint Secretary, Cabinet Secretariat.

The delegation was successful in being able to meet and interact with the various types of interest groups likely to influence decisions to invest in infrastructure in future. The flow of investment will take place over an extended period in line with the progress in putting in place new investment arrangements. However, such interactions serve to reinforce interest. Information on the latest measures taken by Government to open up infrastructure sectors was disseminated. The doubts raised by the US investors were clarified and information of general nature regarding the Indian economy, as well as individual sectors and specific projects was also supplied. Business teams from USA visit India as a matter of routine on the invitation of Indian Industry.

#### Investment in CRB

643. SHRI SANAT MEHTA: Will the Minister of FINANCE be pleased to state:

(a) the exact amount invested by various Co-op. Banks, Scheduled Banks and Financial Institutions in CRB;

(b) the number out of these investments were approved by respective regulatory authorities, such as RBI, Registrar of Co-op. Societies etc;

(c) whether any irregularities by NBFCs, etc. have come to the notice of the Government in this regard; and

(d) if so, the steps taken/being taken by the Government against the concerned authorities of Non-banking Finance Companies for these alleged irregularities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) According to Reserve Bank of India (RBI), the exposure to CRB Capital Markets Ltd. of various institutions worked out to around Rs. 152 crores, out of which the exposure of co-operative banks is about Rs. 50 crores as on 31st March, 1997. These are the figures according to information available so far and they are purely provisional and subject to further confirmation.

(b) The information is being collected and to the extent available will be laid on the Table of the House.

(c) and (d) As and when inspections of Non-Banking Financial Companies (NBFCs) are conducted by RBI, any irregularities noticed during the scrutiny are followed up for necessary corrective/penal action against delinquent companies. In terms of the recent amendment to RBI Act, powers have been conferred on RBI to file an application for winding up of an NBFC under the provisions of the Companies Act, 1956, if it is, inter-alia, unable to pay its debts. Under the said Act, the Company Law Board has also been empowered to adjudicate and pass orders in case of non-repayment/non-payment of deposits/interest by NBFCs.

[Translation]

#### Export/Import by Industrial Units

644. SHRI PAWAN DIWAN:

SHRI KASHIRAM RANA:

Will the Minister of COMMERCE be pleased to state:

(a) the percentage of trade transacted by export oriented industrial units in the country out of the total export-import trade during 1996-97;

(b) the amount of foreign exchange earned by these units during 1996-97;

(c) whether these units have been getting any economic concessions from the Government by virtue of their being export oriented units; and

(d) If so, the total amount of concession provided to these units during the above period?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The percentage share of trade transacted by Export Oriented Units is estimated at 5.11% of total import-export trade of the country during 1996-97, while the foreign exchange earned by EOU's during the same period is estimated at Rs. 8500 crores.

(c) and (d) Export Oriented Units have been extended the concessions of duty free import/purchase of capital goods, raw material, components, consumables for export production, reimbursement of Central Sales Tax, and Income tax holiday for 5 years. As these concessions are being utilized over a period of time, it would be difficult to quantify the amount of concessions at any given point of time.

[English]

#### Bank Scams

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

(a) whether more than Rs. 660 crore were swindled of by 28 nationalised banks during the period between March 1993 and March, 1996;

(b) If so, the details thereof, bank-wise;

(c) whether the Punjab National Bank tops the list involved in the scam;

(d) the details about the other Nationalised Banks which are involved in the scam;

(e) the total amount involved in each bank;

(f) whether the Prime Minister issued any instructions to the investigating agencies looking into the various scams and submit the status report at the earliest;

(g) if so, whether he has received the report of the investigating agencies in this regard;

(h) if so, the details thereof;

(i) the number of officers and staff arrested who were found involved in these scams; and

(j) the action proposed to be taken by the Government against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information relating to bank-wise position of number of frauds detected in public sector banks including Punjab National Bank and the amount involved therein during the years 1993, 1994, 1995 and 1996 (upto March) is given in the attached Statement.

(f) Prime Minister has not issued any instruction to any investigating agency looking into the various scams.

(g) and (h) Do not arise.

(i) and (j) Information readily available relating to action taken against delinquent employees of public sector banks for frauds is given below:

	1993	1994	1995	1996
(a) No. of employees convicted	57	50	33	46
(b) No. of employees awarded major/minor penalty	874	1248	1160	1207
(c) No. of employees dismissed/discharged/removed	312	360	301	331

#### Statement

Bank-wise number of frauds detected in public sector banks and the amount involved therein during the years 1993, 1994, 1995 and 1996 (upto March)

(Rupees in lakhs)

Sl. No.	Name of the Bank	Number of Frauds				Amount involved			
		1993	1994	1995	1996 (upto Mar.)	1993	1994	1995	1996 (upto Mar.)
1	2	3	4	5	6	7	8	9	10
1.	State Bank of India	597	616	554	101	773.44	2010.97	789.99	1274.79
		02*			02*	25.08			54.38
2.	State Bank of Bikaner & Jaipur	36	21	18	03	536.63	11.06	194.45	9.09

1	2	3	4	5	6	7	8	9	10
3.	State Bank of Hyderabad	28	23	40	01	97.11	63.55	157.59	0.20
4.	State Bank of Indore	20	26	09	02	161.63	1169.39	19.63	0.24
5.	State Bank of Mysore	28	37	38	04	7.51	252.95	22.87	2.79
6.	State Bank of Patiala	26	30	33	02	222.61	100.05	610.11	4.42
7.	State Bank of Saurashtra	07	12	09	02	16.17	17.98	106.26	12.90
8.	State Bank of Travancore	20	25	22	08	32.49	70.22	126.21	57.75
9.	Allahabad Bank	33	39	48	14	45.14	2343.58	105.32	121.19
10.	Andhra Bank	66	25	41	07	2130.92	131.00	523.80	4.80
11.	Bank of Baroda	139	159	114	23	568.46	2905.71	1151.74	120.49
		12*	15*	10*		35.54	528.63	52.85	
						+U.Sh.9844000			
12.	Bank of India	168	215	156	48	725.19	728.62	496.82	122.30
		16*	11*	04*	01*	4249.29	988.51	8.84	4.65
13.	Bank of Maharashtra	22	50	31	08	404.65	465.11	1891.65	43.73
14.	Canara Bank	259	217	167	49	801.13	1402.21	1953.01	43.11
15.	Central Bank of India	85	130	73	38	3234.72	347.46	188.64	19.50
16.	Corporation Bank	31	38	23	07	42.24	38.28	86.13	4.16
17.	Dena Bank	20	22	14	06	159.65	1049.62	140.04	18.42
18.	Indian Bank	41	60	37	14	638.24	286.26	83.08	34.23
19.	Indian Overseas Bank	75	71	43	10	143.54	356.97	326.92	5.39
20.	New Bank of India	29	-	-	-	69.72	-	-	-
21.	Oriental Bank of Commerce	22	14	12	04	102.97	230.88	630.80	1.94
22.	Punjab National Bank	88	118	56	27	3224.29	2003.36	212.70	191.05
23.	Punjab & Sind Bank	21	17	17	04	654.21	163.26	74.38	14.11
24.	Syndicate Bank	139	103	109	22	174.10	1371.80	782.43	22.68
25.	Union Bank of India	61	39	59	18	756.54	336.54	251.71	131.53
26.	United Bank of India	50	43	40	09	11459.66	171.09	41.21	23.80
27.	UCO Bank	35	58	74	08	183.46	416.89	374.17	26.84
		4*				165.27			
28.	Vijaya Bank	33	32	39	12	190.83	45.93	147.77	2.19
	Total	2213	2266	1890	454	32032.43	20007.88	11551.12	2372.67
						+U.Sh.9844000			

### Economic Growth

646. SHRI SUNDER LAL PATWA: Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned, "Reforms have lost steam: Alt. Eco. Survey—Data Jugglery" cannot conceal crisis in agriculture, industry appeared in "Pioneer" dated May 22, 1997;

(b) if so, the details thereof; and

(c) the steps proposed to be taken to ensure the real growth of economy with stability?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) A news item captioned "Reforms have lost steam: Alt. Eco. Survey—'Data jugglery cannot conceal crisis in agriculture, industry' appeared in the Pioneer, New Delhi, Thursday, May 22, 1997.

The information and analysis presented in the Economic Survey 1996-97 is based on information made available by Government agencies. The Economic Survey was presented to Parliament on 26.2.97. The Economic Survey is the only authentic document presenting the status of the Indian Economy during the current year.

As per the revised estimates released by the CSO in the second week of July, 1997, incorporating the latest estimates of agricultural and industrial production, GDP for the year 1996-97 at factor cost at constant (1980-81) prices shows a growth of 6.8 per cent over the Quick Estimates of GDP for the year 1995-96. Although there is no change in the growth at the overall level from the level estimated earlier, there have been major revisions in the growth rates at the sectoral levels. For example, growth in agriculture, forestry and fishing has been revised up-wards to 5.7 per cent from 3.7 per cent estimated earlier, and that in manufacturing down-wards to 8.1 per cent from 10.6 per cent estimated earlier.

Economic Reforms is a continuous process. Budget 1997-98 has initiated reforms in a number of directions. In addition, a number of steps have been taken to consolidate the gains of reforms initiated earlier.

### Export of Rice

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

(a) whether rice is being exported at present; and

(b) if so, the details of different grades of rice exported to various countries during each of the last three years?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The exports of Basmati and Non-Basmati Rice are permitted freely subject to registration of contracts with Agricultural and Processed Food Products Export Devel-

opment Authority. The Quantity & Value of Basmati & Non-Basmati Rice exported during the last three years are as follows:-

Year	Qty: Lakh MTs		Value: Rs. Crores	
	Basmati		Non Basmati Rice	
	Quantity	Value	Quantity	Value
1994-95	4.42	865.32	4.48	340.47
1995-96	3.73	850.67	45.41	3717.41
1996-97	4.89	1197.75	19.85	1952.83
1997-98 (April-97)	0.23	97.18	0.97	107.52
1996-97 (April-96)	0.61	130.58	3.11	296.52

(Source: DGCI&S, Calcutta)

Country-wise details of exports are given in the monthly bulletin/annual numbers of Foreign Trade Statistics of India published by the Directorate General of Commercial Intelligence and Statistics, Calcutta, copies of which are available in the Parliament Library.

### Robberies/Dacoities in Public Sector Banks

648. SHRI AMAR PAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of cases robberies/dacoities in the public sector banks reported during the years 1994, 1995, 1996 and the current year, so far, state-wise, alongwith the amount involved therein;

(b) the number of bank employees killed or injured during the above robberies/dacoities, State-wise;

(c) whether adequate financial assistance of employment has been provided to the dependent of those employees;

(d) if so, the details thereof; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) Information is being collected and will be laid on the Table of the House.

### Permanent Account Numbers to Income Tax Payers

649. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes propose to introduce to allot permanent account number (PAN) facility to Income Tax Payers all over the country from 1997-98;

- (b) If so, the details thereof;
- (c) the details of places where this facility of PAN is available at present;
- (d) the outcome of this system and the other features of the scheme;
- (e) whether any fine is likely to be imposed on the assesseees who fail to get the PAN; and
- (f) If so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Yes Sir. As part of the Comprehensive Computerisation Plan of the Income Tax Department, a new series of Permanent Account Number has been introduced. In the first phase, Permanent Account Number under new series is being allotted to tax payers in city regions of Delhi, Mumbai and Chennai. Allotment of Permanent Account Number under new series in rest of the country is being taken up in the current financial year.

(d) As against 28.76 lakh assesseees on the registers of the Department in the city regions of Delhi, Mumbai and Chennai and 21.44 lakh assesseees, who had filed returns during 1996-97, so far 19.70 lakh assesseees have applied for Permanent Account Number under new series. So far 14.23 lakh assesseees have been allotted Permanent Account Number under new series.

(e) and (f) Failure to comply with the provisions of Section 139 A of the Income-tax Act, 1961 which deals with requirement of obtaining Permanent Account Number, attracts penalty of a sum, which shall not be less than Rs. 500/- but which may extend upto Rs. 10,000/- for each default or failure.

#### Export of Spices

650. SHRI R. SAMBASIVA RAO: Will the Minister of COMMERCE be pleased to state:

- (a) whether after having topped in the spices export during 1995-96, export of chillies declined 7 per cent in quantity terms during 1996-97;
- (b) If so, whether small and large cardamom, too, decreased considerably during the previous financial year;
- (c) If so, whether chillies replaced pepper as the largest exported commodity among spices during 1995-96;
- (d) If so, whether export of small cardamom dipped to an abysmal; and
- (e) If so, the main reasons for fall in export of cardamom and chillies?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (e) Details of exports of chillies, cardamom (small) and cardamom (large) during 1995-96 and 1996-97 are given below:-

Value Rs. Crores

Qty.: MT

Item	1995-96		1996-97	
	Qty.	Value	Qty.	Value
(i) Chillies	56,073	194.15	51,900	209.64
(ii) Cardamom (Small)	500	12.39	240	9.21
(iii) Cardamom (Large)	1,784	12.33	1,450	10.47

Exports of chillies during 1995-96 were exceptionally good due to heavy purchases by UAE, Pakistan and Bangladesh as a result of fall in Production in China and Pakistan. While pepper has replaced chillies as the largest commodity exported amongst the spices during 1996-97, exports of chillies have increased 8% in value terms. The decline in exports of small cardamom has been mainly due to stiff price competition offered by Guatemala and increased domestic demand. In case of large cardamom, the decline was due to lesser imports by Pakistan.

#### Modernised Company Act

651. SHRI MADHUKAR SARPOTDAR:

SHRI PRAKASH VISHWANATH PARANJPE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware that apart from corporate entities and apex chambers of Commerce and Industry, lakhs of public investors, debenture holders and depositors who have made investment in the equity of the companies or have lodged this funds with them have substantive interest in the 'Modernised Companies Act' which would replace Companies Act, 1956;
- (b) if so, whether the Government have taken any steps to associate these interested groups in formulation of the proposed Companies Act;
- (c) if so, the details thereof;
- (d) whether the Government propose to circulate the proposed legislation to elicit public opinion; and
- (e) If so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) to (e) The Government constituted on 5.8.1996 a Working Group comprising of persons having knowledge of law, economics and company affairs to submit a working draft of the Companies Bill, 1997. A Working Draft of the Companies Bill was submitted by this Group on 2.5.1997 which was circulated for public debate.



The Government has received several suggestions/comments/observations on the Working Draft from individuals and investors' associations proposing setting up of an Investors Protection Fund and other measures relating to investors' interests. These suggestions have been taken into account while finalising the provisions of draft Companies Bill, 1997. The Companies Bill 1997 is likely to be introduced in the current Session of Parliament.

#### **Handicraft Design Centres**

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

- (a) the number of handicrafts design centres operating in Uttar Pradesh;
- (b) whether the number of such centres is less than required;
- (c) if so, whether the Government propose to formulate any scheme to set up more such centres; and
- (d) if so, the places where these centres are proposed to be set up and the estimated amount to be spent thereon?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (d) No handicrafts design centre is operating in the state of Uttar Pradesh and there is no proposal to set up any such centre in near future in the State as the existing Regional Design & Technical Development Centre at Okhla, New Delhi, is catering to the needs of artisans for design development in Northern Region including the State of Uttar Pradesh.

#### **Development of Jute Industry**

653. SHRI SANAT KUMAR MANDAL: Will the Minister of TEXTILES be pleased to state:

- (a) whether attention of the Government has been drawn to the news-item captioned "Jute the obscure rises from the ashes" appearing in the "Business Standard", New Delhi dated June 19, 1997;
- (b) if so, the facts of the matter reported therein; and
- (c) the manner in which the Government are monitoring the UNDP aided programme to revitalise the ailing industry by developing existing new uses for jute?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) and (b) Yes, Sir. Govt. of India have launched a National Jute Programme with an assistance of US\$ 23 million from UNDP and equal matching contribution from the Govt. The primary objective of the Programme is to facilitate diversification in the jute sector and to strengthen R&D capacity through development of indigenous machinery and provide

Infrastructural support for transfer of technology, market promotion and enhancement of exports.

(c) An Inter-Ministerial Group constituting the Programme Management Board supervises the implementation of the UNDP Jute Programme. The Group is headed by Secretary (Textiles) with representatives from Ministry of Finance, Agriculture and Planning Commission. In addition, a Steering Committee is responsible for coordinating and overseeing the implementation of the Programme.

#### **Import of Newsprint Through STC**

654. SHRI HARIN PATHAK: Will the Minister of COMMERCE be pleased to state:

- (a) whether the Government propose to import newsprint through State Trading Corporation;
- (b) if so, the details thereof; and
- (c) if not, the reason therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) The Government do not propose to import newsprint through State Trading Corporation. In accordance with the existing provisions of the current IMPEX Policy, import of newsprint is permissible subject to "Actual User" condition to those who hold Registration Certificate issued by the Registrar of Newspapers for India (RNI).

#### **Textiles Mills**

655. SHRI GORDHANBHAI JAVIA: Will the Minister of TEXTILES be pleased to state:

- (a) the number of cotton, polyester, synthetic and woollen mills at present in Rajasthan and Gujarat alongwith the locations thereof; and the quantum of cloth manufactured by them during the last three years; and
- (b) the efforts being made by the Government for revival of the textiles mills of these States have been closed down?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) A Statement is attached.

(b) Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to enquire into the working of sick industrial companies and to prepare and sanction, as appropriate, schemes for their revival.

#### **Statement**

There is no restriction on using any type of fibre/yarn in manufacturing of cloth. Mills are using different types of yarn.

The number of cotton/mam-made fibre composite textile mills, weaving units and woollen units in the State of Rajasthan and Gujarat as on 31/3/97 is given below:

	No. of mills as on 31/3/97	
	Rajasthan	Gujarat
<b>Cotton/Man-Made</b>		
Fibre Composite Mills.	7	88
Cotton Weaving Units	8	35
Woollen Units	1	4

These mills are located mainly in Udaipur, Ajmer, Bhilwara, Ganga Nagar, Alwar, Jaipur, Kota and Banswara in Rajasthan. In the case of Gujarat, the mills are mainly located in Surendranagar, Surat, Bharuch, Sabarkantha, Valsad, Bhavnagar, Jamnagar, Saurashtra, Kutch, Cambay, Ankleshwar, Ahmedabad, Mehsana, Baroda, Kheda, Kalol, Navsari, etc.

The cloth manufactured by cotton/man-made fibre composite textiles mills and exclusive weaving units during the last 2 years is as under:

State	Cloth Production ('000 Sq. Mtrs.)					
	Composite Mills			Weaving Units		
	1994-95	1995-96	1996-97 (Apr.-Sept.*)	1994-95	1995-96	1996-97 (Apr.-Sept.*)
Gujarat	492518	451594	215392	**	78606	39303
Rajasthan	54682	57313	25623	**	9350	4675

\*Provisional

\*\*Not maintained

The State-wise production of cloth by the woollen units is not maintained centrally.

#### Setting up Ancillary of PSUs in Orissa

656. SHRI K.P. SINGH DEO: Will the Minister of INDUSTRY be pleased to state:

(a) whether the public sector units like NALCO, MCL, NTPC, FCI established at Talcher and Anugul and nearby area, in the undivided Dhenkanal district of Orissa have not set up their ancillary and downstream units in the state;

(b) if so, the reasons therefor;

(c) whether the Government propose to suggest these public sector undertakings to set up their ancillary and downstream units in Orissa; and

(d) if so, the steps taken by the Government in that direction?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) NALCO, MCL, NTPC and FCI have not set up any ancillary/downstream units in the State of Orissa. While the Coal companies do not set up ancillary units, FCI is a sick unit and, therefore, it has no ancillarisation programme. NTPC does not by itself need ancillary units for supply of various inputs except spare parts and establishing ancillaries for supply of spare parts is not considered commercially viable by NTPC. However, NALCO has initiated steps for setting up of downstream ancillary industries in Orissa based on utilisation of waste material and is exploring the possibility of encouraging ancillaries for meeting its own raw materials requirement.

(c) and (d) No, Sir.

#### Export Targets

657. SHRI NARAYAN ATHAWALAY: Will the Minister of COMMERCE be pleased to state:

(a) the export targets fixed for various sectors for 1996-97 vis-a-vis actual achievements made;

(b) how does the performance compared with earlier two years in terms of set norms percentage-increase, fall vis-a-vis targets;

(c) the details of reforms including administrative procedural/structural carried out during the recent past to boost the exports and likely impact thereof on the target set in this regard;

(d) whether the Maharashtra Government have sent some proposals to strengthen export promotion net-work in the State;

(e) if so, the details thereof; and

(f) the action taken by the Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) A Statement is attached.

(c) A number of measures have been taken by the Government to improve export optimism and strengthen the incentive system. The Budget 1997-98 restored the 80 HHC provision in terms of income tax exemption of export profits. The new Exim Policy for 1997-2002 considerably simplified the policies and procedures and consolidated the gains of

previous Exim Policy. Efforts have been made to provide a hassle-free trading environment. Separately, M/o Commerce held discussions with the Export Promotion Councils and Commodity Boards regarding export promotion measures and strategy to achieve higher growth. Meetings with trade & industry were also organised by the chambers of Commerce and apex organisations like FIEO. Inter-Ministerial discussions were held with M/o Finance, Textiles, Surface Transport to address specific measures required urgently to improve export optimism. Interest on export credit has been reduced by one percentage point. Prime Minister interacted with the Government departments and exporter representatives to find solutions to the urgent problems facing exporters. Efforts are being made to set up an Export Development Board to resolve Inter-Ministerial

issues and to give a national priority thrust to export efforts.

(d) to (f) The Government of Maharashtra had sent three proposals to strengthen the infrastructure relating to exports at specific locations. After considering all the proposals, the Empowered Committee of the M/o Commerce on critical Infrastructure Balance agreed to support the proposal for rehabilitation of Uran-Panwal road on a cost sharing basis between the Centre and State Government. Further, Central Government support for setting up an Export Promotion Industrial Park at Ambarnath, district Thane has also been approved. The EPIP scheme envisages Central grant of 75% the total cost of the project excluding cost of land subject to a maximum of Rs. 10 crores.

### Statement

*Targets Vs Performance: 1995-96 & 1996-97*

(US \$ Million)

Commodities	Targets		Actuals		Percentage increase or decrease vis a vis target of corresponding year	
	1995-96	1996-97	1995-96	1996-97	1995-96	1996-97
I. Plantations	802	833	799	679	-0.3	-18.5
II. Agri & Allied Prods	4178	3879	4251	4505	1.7	16.1
III. Marine Products	1012	1215	1011	1122	-0.1	-7.7
IV. Ores & Minerals	1184	1361	1175	1146	-0.8	-15.8
V. Leather & MFRS.	1723	2000	1752	1554	1.7	-22.3
VI. Gems & Jewellery	5275	6300	5275	4744	0.0	-24.7
VII. Sports Goods	73	84	74	79	1.0	-6.0
VIII. Chem. & Related Prod.	3920	4500	3790	4071	-3.3	-9.5
IX. Engineering Goods	3619	4250	3607	3941	-0.3	-7.3
X. Electronic Goods	728	950	751	850	3.2	-10.6
XI. Textiles including Handicrafts & Carpets	8500	13350	7469	7990	-12.1	-40.1
XII. Cotton Raw Incl. waste	-	50	61	453	-	805.2
XIII. Petroleum Products	400	500	454	482	13.4	-3.6
XIV. Other Items	800	500	503	431	-37.1	-13.8
XV. Total	30712	38259	31831	33106	3.6	-13.5

Note: No Targets were fixed for 1994-95. However, trade and industry had been exhorted to attain a growth of 25% during this year

Source: DGCI&S, Calcutta

[Translation]

**New Procedure for Assessment of Inflation**

658. SHRI ANAND RATAN MAURYA:

SHRI PRITHVIRAJ D. CHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to change the procedure of assessing the rate of inflation keeping in view of this fact that the present procedure to calculate the rate of price rise on the basis of wholesale price index has become impracticable;

(b) if so, whether any expert group has been constituted to examine the issue;

(c) if so, the details thereof; and

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

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Ministry of Industry, Department of Industrial Development vide notification dated 18th June, 1993 set up a working Group under the Chairmanship of Prof. Y.K. Alagh, the then Vice-Chancellor, Jawahar Lai Nehru University, to update the existing series of wholesale Price Index with base 1981-82 so as to reflect structural changes in the Indian Economy since 1981-82. After Prof. Y.K. Alagh joined the Union Government, Prof. S.R. Hashim, Member, Planning Commission was appointed as the Chairman of the Working Group with effect from 2.9.1996. It is hoped that the expert group may be able to complete its analytical work by the end of the current year.

**Voting Percentage**

659. SHRI HANSRAJ AHIR: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government are aware of the law percentage of voting in general elections in the country;

(b) if so, whether the Government are contemplating to enact any law for casting vote compulsory;

(c) if so, the details thereof; and

(d) if not, the steps being taken by the Government to increase the percentage of voting?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) The percentage of voting in general elections to Lok Sabha held in 1989, 1991 and 1996 was 61.95, 56.73 and 57.94, respectively. The Election Commission of India is of the view that compared to international standards and percentage of voting in certain other democratic countries, the percentage of voting in India is good.

(b) No, Sir.

(c) Does not arise.

(d) The Election Commission has, however, launched a National Voter Awareness Campaign since 1994, the main purpose of which is to improve the general awareness about the importance of the right of franchise and its free and fair exercise.

[English]

**Royalty of Coal**

660. DR. RAMKRISHNA KUSMARIA: Will the Minister of COAL be pleased to state:

(a) the quantity of coal extracted from various coal mines in Madhya Pradesh during 1995-96 and 1996-97;

(b) the amount of royalty given to the Madhya Pradesh Government and the rate thereof; and

(c) the amount of royalty being given to the Bihar Government on coal production during the above period and the rates thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): The coal produced from various coal mines in Madhya Pradesh during 1995-96 and 1996-97 are as under:-

(million tonnes)	
1995-96	1996-97 (Provisional)
79.76	83.28

(b) and (c) The amount of royalty paid to the State Governments of Madhya Pradesh and Bihar and the rates thereof are as under:

(Rs. crores)		
	1995-96	1996-97
Madhya Pradesh	666.77	864.14
Bihar	658.33	682.77

The rates of royalty of various grades of coal as revised with effect from 11.10.94 are as under:-

Coal Group	Royalty rates w.e.f. 11.10.94 (Rs. per tonne)
1	2
Group-I (Coking Coal Steel Gr-I, II, Washery Gr-I)	195.00

1	2
Group-II	
(Coking Coal WG II, III, Semi Coking I, II, Non-Coking A,B)	135.00
Group-III	
(Coking Coal WG IV, Non-Coking C)	95.00
Group-IV	
(Non-Coking D,E,)	70.00
Group-V	
(Non-Coking F,G)	50.00
Group-VI	
(Andhra Pradesh Coal)	75.00

#### Policy for Paper Industry

661. SHRI G.A. CHARAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have urged the paper industry to consider strategic alliances amongst domestic paper mills to market their products so as to bring down the delivery costs, avoiding costly and criss-cross transportation;

(b) whether the Government are considering for evolving a suitable policy framework to make available adequate raw material at reasonable price to the paper industry;

(c) if so, the details thereof; and

(d) the extent to which the said policy is likely to help the paper industry?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) High cost of production is the single most limiting factor affecting the competitiveness of indigenous paper industry. Government has advised the industry to consider all cost cutting options including strategic alliances to transport and market their products.

(b) to (d) There is no shortage of non conventional raw materials like agro based residues and waste paper. However, large scale industry led plantation would be an ideal and cost effective solution for ensuring regular supply and for generating rural employment.

#### SBI Signed Mou with Egypt

662. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India have signed a Memorandum of Understanding with Egypt's Social Fund for Development; and

(b) if so, the details of the MOU?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) State Bank of India (SBI) had signed an MOU with Social Fund for Development (SFD), Egypt. Under this MOU, SBI will provide technical assistance to SFD in the following areas:

development of efficient credit delivery mechanisms, through banking channels, in Egypt, for weaker sections of the society.

building up suitable training infrastructure and initial training of Egyptian-bank staff in the required skills.

Until now three training workshops of five days each have been conducted by SBI in Egypt and a two-week training programme on rural and developmental banking has been conducted at the State Bank Institute of Rural Development, Hyderabad for staff of the commercial banks in Egypt through the aegis of SFD.

#### Soiled Currency Notes in Karnataka

663. SHRI K.C. KONDAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether soiled and mutilated currency notes of Rs. 1, Rs. 2 and Rs. 5 are in great circulation in Karnataka;

(b) if so, whether these soiled notes are not being accepted by nationalised banks in the State;

(c) if so, whether the Reserve Bank has taken any action to provide coins to replace soiled notes;

(d) if so, the time by which the coins are likely to be supplied to banks in the State to replace soiled notes; and

(e) the estimated value of Rs. 1, 2, and 5 denomination soiled notes in Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir. With the discontinuance of printing of smaller denomination notes of Re. 1, Rs. 2 and Rs. 5, and with the withdrawal of unfit notes, the quantum of these notes in circulation has come down.

(b) All the banks are under instructions to freely accept soiled notes of these smaller denominations for exchange. The currency chests maintaining branches have also been delegated with powers under RBI Note Refund rules to adjudicate claims on mutilated notes free of cost. Complaints received from the general public in this regard are also attended to.

(c) and (d) With the Government's decision to discon-

tinue printing of smaller denomination notes, arrangements have been made to supply more quantities of coins of these denominations.

(e) As on 31st May 1997, the estimated value of Rs. 2 and Rs. 5 denominations soiled notes in Karnataka was Rs. 48,63,27,994 and Rs. 3,92,47,190 respectively. The value of Rs. 1 notes in circulation in Karnataka alone is being collected and will be laid on the Table of the House.

#### **Restructuring of Industrial Finance Corporation of India**

664. SHRI ISWAR PRASANNA HAZARIKA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India Ltd. has engaged consultants to study and submit recommendations on restructuring of the Corporation;

(b) whether the consultants have submitted their report;

(c) if so, the recommendation made therein; and

(d) the steps being taken by the Government to implement those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) The Industrial Finance Corporation of India Ltd. (IFCI) has reported that the recommendations made by the Consultants cover important areas such as strategy for current businesses, strategy for entering new businesses, business process reengineering, organisation restructuring and information technology. The recommendations made by the Consultants were considered and approved by the Board of Directors of IFCI with certain modifications. The major recommendations of Consultants as approved by the Board of Directors are under implementation.

#### **Import of Pulp**

665. SHRI RAMESH CHENNITHALA: Will the Minister of INDUSTRY be pleased to state:

(a) the total tonnes of pulp imported by the Hindustan Paper Corporation during each of last three years;

(b) whether there is any proposal for import of pulp in the current years; and

(c) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Pulp Imported by Hindustan Paper Corporation Limited (including Hindustan Newsprint Limited—subsidiary of HPC) in the last three years;

(In MT)

1994-95	1995-96	1996-97
21439	14172	14468

(b) and (c) There is no proposal at present for import of pulp for Nagaon and Cachar Paper Mills of Hindustan Paper Corporation. However, Hindustan Newsprint Limited, a subsidiary of HPC has so far, during the current year, finalised orders for import of 5000 MT of pulp.

#### **Hindustan Photo Films**

666. SHRI AJOY MUKHOPADHYAY: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Hindustan Photo Films Manufacturing Co. Ltd. has been incurring losses since 1992;

(b) if so, the details thereof alongwith reasons for losses;

(c) whether any revival package has been approved by the Cabinet;

(d) if so, the salient feature of the same including the details of financial restructuring approved by the Government;

(e) whether trade unions and officers associations have submitted any revival plan; and

(f) if so, the details thereof alongwith the Government's views thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir. The details of the losses and the reasons thereof are as under:-

#### **Details of losses:-**

1992-93	Rs. 117.31 crores
1993-94	Rs. 58.81 crores
1994-95	Rs. 56.86 crores
1995-96	Rs. 70.88 crores
1996-97	Rs. 89.05 crores (provisional)

#### **Reasons for losses:-**

(i) Unable to face competition from small confectioners & imports.

(ii) Bad investments in Magnetic Tape plant, Automatic photo booths.

(iii) Large time and cost overruns in new project.

(iv) Diversion of funds from old to new plant.

(v) Heavy interest burden on excessive loans.

(vi) High overheads and manpower costs.

(c) No, Sir.

(d) Does not arise in view of (c) above.

(e) and (f) A revival plan was submitted by the HPF Officers Association to Operating Agency (ICICI). This was discussed by BIFR in its meeting held on 26.6.97 and was not found viable.

#### **Mahila Pradhan Kshetriya Yojna**

667. SHRI SHATRUGHAN PRASAD SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Mahila Pradhan Kshetriya Bachat Yojna (Women Oriented Regional Savings Scheme) is effective since April, 1974 in National Saving Organisation under his Ministry;

(b) if so, whether the uniform rules and procedures are followed under the said scheme throughout the country;

(c) if so, whether different rules have been framed for the important works such as appointment of agents, supply of S.L.A.A. S-5 and Commission papers etc. under Women oriented Regional Savings Scheme in Bihar, Uttar Pradesh, Punjab, Haryana, Andhra Pradesh and other States;

(d) if so, the reasons therefor; and

(e) whether the Government propose to provide the said scheme throughout the country under uniform rules and procedure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): The Mahila Pradhan Kshetriya Bachat Yojna (MPKBY) was introduced from April, 1972.

(b) Yes, Sir.

(c) No, Sir.

(d) Does not arise.

(e) Yes, Sir. The Government propose to continue to operate the said Scheme throughout the country with uniform rules and procedures.

#### **Customs Duty on Telecom Equipment**

668. SHRI G. VENKAT SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently imposed customs duties on Telecom equipment;

(b) if so, the details thereof;

(c) whether his Ministry had received any communication for special concession including deemed status to the domestic Manufacturing Industry from the Department of Telecommunication;

(d) if so, the details thereof;

(e) whether the submission of that Department was taken into consideration before imposing the customs duties on telecom equipments; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Government have reduced basic customs duty on specified telecom equipment to 20% and have exempted them from additional duty of customs, vide notification 51/97-Cus. dated 2.6.97. The concessional duty benefits are available if such equipments are imported by persons licensed by Department of Telecommunications for the purpose of providing basic telecom service, cellular mobile service, paging service and value added services.

(c) to (f) Finance Ministry had received recommendations from Department of Telecommunication (DOT) that concessional customs duty may be provided to only those equipment which are currently not manufactured indigenously and that customs duty on raw materials/components required for the manufacture of such equipment should also be reduced to zero in order to encourage their local manufacture. Alternatively, indigenously manufactured equipment may be exempted from excise duty and deemed export status may be given to indigenous equipment manufacturers. Further, facility of concessional customs duty may be given only to those companies which have been duly licensed by DOT.

These recommendations were taken into consideration. Accordingly, basic customs duty on specified telecom equipment listed in notification 51/97-Cus. dated 2.6.97 was reduced to 20%. These equipments were also exempted from additional duty of customs. Request for reduction of customs duties on raw materials/components of telecom equipment specified in the aforementioned notification is under consideration.

#### **Industrial Corridor in Andhra Pradesh**

669. DR. T. SUBBARAMI REDDY:

SHRI SUBRAHMANYAM NELAVALA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to develop Vishakhapatnam-Kakinada as an "Industrial Corridor";

(b) if so, the details thereof;

(c) whether any arrangements are being made to supply 15 mgd water from the Yeleru canal and uninterrupted power to the Industries;

(d) whether an Industrial Park is also being developed at Pravada on an area of 3,500 acres for creation of infrastructure;

(e) whether any concrete programme of action has

been prepared for Visakhapatnam-Kakinada to be developed as an industrial corridor; and

(f) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (f) Ministry of Industry have no plans to develop Visakhapatnam-Kakinada as Industrial Corridor or an Industrial Park at Pravada.

[Translation]

#### Regional and Technical Development Centre

670. SHRI SUSHIL CHANDRA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Regional and Technical Development Centre has been set up in Bhopal where women victims of Bhopal gas tragedy have also been taking the benefit of training imparted by the Centre and new designs and techniques are being developed by them;

(b) whether any proposal to shift this centre from Bhopal to elsewhere is under consideration of the Government; and

(c) if so, the reasons therefore?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The Regional Design and Technical Development Centre at Bhopal is engaged in developing new designs and techniques and its dissemination amongst artisans, including the women victims of Bhopal gas tragedy.

(b) No, Sir.

(c) Does not arise.

[English]

#### Trade Deficit

671. SHRIMATI LAKSHMI PANABAKA: Will the Minister of FINANCE be pleased to state:

(a) the total trade deficit during 1996-97;

(b) to what extent it was more in comparison with the previous year 1995-96 with reasons therefor;

(c) whether any concrete measures in this regard have been worked out for improving the trade deficit during 1997-98; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per DGCI&S data, the trade deficit in 1996-97 was US \$ 5442 million as against US \$ 4881 million in 1995-96. While import growth also decelerated in 1996-97 the deceleration was faster for exports. This asymmetry in growth rates, together with a higher base for imports resulted in a widening of the trade deficit by US \$ 561 million in 1996-97. The deceleration in the rate of growth of exports was

partly due to an overall decline in the growth of world trade and some sector specific reasons.

(c) and (d) The key to reducing trade deficit lies in accelerated export growth. Export promotion measures are continuously being taken by the Government through policy and promotional schemes. These include simplification of Export Import Policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation, efforts to actively involve the State Governments in export promotion. Export promotion is a continuing activity based on interaction with industry, trade and other export promotional institutions.

#### Growth Rate

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

(a) whether RBI has projected 6.8% growth rate in GDP for the year 1996-97;

(b) if so, whether this rate is lower than the previous year;

(c) if so, the reasons for lower percentage of growth rate in GDP during 1996-97;

(d) whether RBI has also expressed concern over slow down in industrial growth, high interest rates; and decline in export growth; and

(e) if so, the measures being taken by the Government to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The Central Statistical Organisation (CSO) makes the projections for growth rate in GDP. However, Reserve Bank of India in its Monetary & Credit Policy announcement for first half 1997-98 has indicated that real GDP is expected to have grown by 6.8% in 1996-97. This is consistent with the revised estimate of GDP for the year 1996-97 released by the CSO in July 1997. The growth rate of GDP for 1996-97 is marginally lower than that of 7.1 per cent registered in 1995-96. The sectoral break-down of the growth rates in 1995-96 and 1996-97 is indicated in the attached statement.

(d) and (e) The Reserve Bank of India in its Monetary and Credit Policy for the first half of 1997-98, has mentioned about slowing down of industrial growth in the economy. As regards the interest rate structure, the policy has noted a general lowering down of rates of interest on different money market instruments. The Reserve Bank of India has also announced reduction in the bank rate. The Policy has also observed a strong need for improving exports and ensuring imports to sustain growth momentum. The Government has announced several measures in the Budget 1997-98 to boost production and exports and to improve the growth rate of GDP. These measures include reduction and rationalisation of Income tax, corporate tax, excise and customs duties.



**Statement**

*Growth rates of GDP at factor cost by kind of economic activity for the years 1995-96 and 1996-97 at 1980-81 prices*

(In per cent)

Industry	1995-96*	1996-97**
1. Agriculture, forestry & fishing	-0.1	5.7
2. Mining & quarrying	7.0	1.0
3. Manufacturing	13.6	8.1
4. Electricity, gas & water supply	9.1	3.8
5. Construction	5.3	5.5
6. Trade, hotels, transport and communications	13.3	8.7
7. Financing, insurance, real estate & business services	4.0	6.9
8. Community, social & personal services	6.2	5.3
Total GDP at factor cost	7.1	6.8

\*Quick estimates

\*\*Revised (July 1997 update) estimates.

[Translation]

**Instrumentation Ltd., Kota**

673. VAIDYA DAU DAYAL JOSHI: Will the Minister of INDUSTRY be pleased to state:

(a) whether the officers of Instrumentation Ltd., Kota have visited foreign countries for obtaining orders;

(b) if so, the details thereof alongwith the countries visited by them during the last three years and the number of orders obtained by them during the visits; and

(c) the total amount spent on such foreign visits?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) No, Sir. In last three years no officer of Instrumentation Ltd. has visited abroad for obtaining orders. However, their officers have visited for commissioning/execution of systems supplied against export orders as well as for detailed engineering, software development, Design finalisation, discussions on technical collaboration agreements and training at their foreign collaborators works in Germany, Japan, USA and Ukraine etc.

**Investment in Coal Sector**

674. SHRI SANDIPAN THORAT: Will the Minister of COAL be pleased to state:

(a) the major works carried out on contract basis and payment made for execution of these work by the Coal India Ltd. during the last three years, Subsidiary-wise;

(b) the details of payment received by top five contracting firms for the work done for CIL during each of the last three years, company-wise;

(c) whether in view of revised production strategies of cutting costs in liberalisation era, the Government are considering to entrust more and more work on new mines to contractors to ensure better returns on investment and be competitive by cutting heavy establishment charges and consequent liabilities of deploying departmental manpower; and

(d) if so, the details thereof and the policy of the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (d) The information is being collected and will be laid on the Table of the House.

12.01 hrs.

[English]

**PAPERS LAID ON THE TABLE****Notification under Sub-section (2) of Section 3 of the Jute Packaging Material Act, 1987**

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): Sir, I beg to lay on the Table a copy of the Notification No. S.O.284(E) (Hindi and English versions) published in Gazette of India dated the 31st March, 1997 making certain amendments in the Order published in Notification No.S.O.905(E) dated the 31st December, 1996 under subsection (2) of section 3 of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987.

[Placed in Library, See No. LT 2177/97]

**Annual Report, Audited Accounts and Review of the Government of the working of the Federation of Indian Export Organisations, New Delhi for the year 1995-96**

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): Sir, I beg to lay on the Table—

(1) (i) A copy of the Annual Report (Hindi and English versions) of the Federation of Indian Export Organisations, New Delhi, for the year 1995-96, alongwith Audited Accounts.

(ii) A copy of the Review (Hindi and English

versions) of the Government of the working of the Federation of Indian Export Organisations, New Delhi, for the year 1995-96.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

*[Placed in Library, See No. LT 2178/97]*

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Sports Goods Exports Promotion Council, New Delhi, 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 Sports Goods Export Promotion Council, New Delhi, for the year 1995-96.
- (4) Statement (Hindi and English versions) showing reasons for the delay in laying the papers mentioned at (3) above.

*[Placed in Library, See No. LT 2179/97]*

- (5) 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 Centre for Trade Information, New Delhi, for the year 1995-96.
- (ii) Annual Report of the National Centre for Trade Information, New Delhi, the year 1995-96, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

*[Placed in Library, See No. LT 2180/97]*

- (b) (i) Review by the Government of the working of the Tea Trading Corporation of India Limited, Calcutta, for the year 1995-96.
- (ii) Annual Report of the Tea Trading Corporation of India Limited, Calcutta, for the year 1995-96, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.
- (6) Two Statements (Hindi and English Versions) showing reasons for delay in laying the papers mentioned at (5) (b) above.

*[Placed in Library, See No. LT 2181/97]*

**Notification under Section 159 of the Customs Act, 1962 etc.**

THE MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (CAPT. JAI NARAYAN PRASAD NISHAD): Sir, on behalf of Shri Satpal Mahara], I beg to lay on the Table—

- (1) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:—

- (i) S.O. 347(E) published in Gazette of India dated the 25th April, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Imports.
- (ii) S.O. 348(E) published in Gazette of India dated the 25th April, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Exports.
- (iii) S.O. 406(E) published in Gazette of India dated the 21st May, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Imports.
- (iv) S.O. 407(E) published in Gazette of India dated the 21st May, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Exports.
- (v) S.O. 412(E) published in Gazette of India dated the 27th May, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes for assessment of Imports.
- (vi) S.O. 413(E) published in Gazette of India dated the 27th May, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Exports.
- (vii) S.O. 459(E) published in Gazette of India dated the 25th June, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purpose of assessment of Imports.
- (viii) S.O. 460(E) published in Gazette of India dated the 25th June, 1997 together with an explanatory memorandum regarding revised rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of Exports.

*[Placed in Library, See No. LT 2182/97]*

12.1 1/2 hrs.

[English]

**Committee on Private Members' Bills  
and Resolutions**

**Minutes**

SHRIMATI SEELA GAUTAM (ALIGARH): Sir, I beg to lay on the Table the Minutes (Hindi and English versions) of the Fifth to Ninth sittings of the Committee on Private Members' Bills and Resolutions held during the Fourth Session.

12.02 hrs.

[Translation]

**Standing Committee on Railways  
Eighth Report**

SHRI BASU DEB ACHARIA (BANKURA): Sir, I beg to present "The Eighth Report (Hindi & English versions) of the Standing Committee on Railways on Action Taken by Government on the recommendations contained in the Fourth Report on "Demands for Grants 1996-97".

12.2 1/2 hrs.

[Translation]

**Presentation of Petition**

SHRI RAM NAIK (MUMBAI-NORTH): Sir, I beg to present "a Petition signed by Dr. Ram Barot, Chairman, Health Committee of the Greater Mumbai Municipal Corporation and other doctors requesting to ban production, sale and consumption of Gutkha and Pan Masala."

12.03 hrs.

[English]

**BUSINESS OF THE HOUSE**

THE MINISTER OF TOURISM AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI SRIKANTA JENA): With your permission, Sir, I rise to announce that Government Business during the week commencing Monday, the 28th July, 1997 will consist of:-

1. Consideration of any item of Government Business carried over from today's Order Paper.
2. Discussion on the Statutory Resolution seeking disapproval of the Out-of-Turn allotment of Government Residences (Validation) Ordinance, 1997 and consideration and passing of the Out-of-Turn allotment of Government Residences (Validation) Bill, 1997.
3. Consideration and passing of the Cotton Ginning and Pressing Factories (Repeal) Bill, 1997.

4. Consideration and passing of the Coast Guard (Amendment) Bill, 1996 as passed by Rajya Sabha.
5. Discussion on Resolution regarding rejection of the Award given by the Board of the Arbitration in CA Reference No. 1 of 1991 under the JCM Scheme.
6. Discussion and voting on Supplementary Demands for Grants (Railways) for 1997-98.
7. Discussion on the Statutory Resolution seeking disapproval of the Presidential and Vice-Presidential Elections (Amendment) Ordinance, 1997 and consideration and passing of the Presidential and Vice-Presidential Elections (Amendment) Bill, 1997.
- B. Consideration and passing of the Private Security Guards and Agencies (Regulation) Bill, 1994 as passed by Rajya Sabha.
9. Further discussion on the Motion regarding Approach Paper to the Ninth Five Year Plan, 1997-2000.

SHRI P. NAMGYAL (LADAKH): Sir, the following item may be included in the next week's agenda:-

Non-cooperation by the State Government of Jammu & Kashmir in the functioning of Ladakh Autonomous Hill Development Council.

[Translation]

SHRI RAJENDRA AGNIHOTRI (JHANSI): Mr. Deputy Speaker, Sir, the following items may be included in the next week's agenda:-

1. If any employee dies in harness, the family of the deceased should immediately be given compassion; if the dependent of the deceased is not provided employment within a period of two months, his family should be provided 50 per cent of his salary as allowance for livelihood so that the crisis of the family can be averted.
2. Until the candidates selected on compassionate ground in Jhansi Division of the Central Railway are appointed, 50 per cent of the salaries should be given to their families for livelihood.

SHRI RAM BAHADUR SINGH (MAHARAJGANJ): Mr. Deputy Speaker, Sir, the following items may be included in the next week's agenda:-

1. Discussion on the bungling on large scale in rural electrification.
2. Discussion on privatisation of coal industry.

SHRI NAWAL KISHORE RAI (SITAMARHI): Mr. Deputy Speaker, Sir, the following items may be included in the next weeks' agenda:-

1. Discussion on problems created due to damage of all the main roads and bridges and the heavy loss of life and property as a result of heavy rain and devastating floods in Sitamarhi district of Bihar.

2. Discussion on the removal of difficulties being faced by the unemployed youth due to gross irregularities in Prime Minister's Rozgar Yojana.

SHRI ILIYAS AZMI (SHAHABAD): Mr. Deputy Speaker, Sir, the following items may be included in the next week's agenda:-

The heavy rainfall in the country has shattered the life of the people besides, they have to suffer the loss of livestock worth crores of rupees. The condition of Gujrat and Bihar was very pitiable.

The Union Government is requested to contact the State Governments and help them to face the difficulties in this regard.

SHRI BACHI SINGH RAWAT 'BACHDA' (ALMORA): Mr. Deputy Speaker, Sir, the following items may be included in the next weeks agenda:-

1. The need of immediate launching of central arrangement for distribution of foodgrains and providing additional quota under the Public Distribution System for hilly, inaccessible areas in the country where there is shortage of foodgrains.
2. The need of setting up special courts for hearing of cases relating to corruption and economic offences and their speedy disposal.

[English]

SHRIMATI GEETA MUKHERJEE (PANSKURA): Sir, I would like to inform the House that the hon. Speaker had given us a word of honour that on the 29th July 1997, the 'Women's Reservation Bill' would be there in the List of Business.

12.09 hrs.

[English]

#### MOTION RE: REPORT OF THE JOINT COMMITTEE ON THE BROADCASTING BILL, 1997—EXTENSION OF TIME

SHRI SHARAD PAWAR (BARAMATI): Sir, I beg to move:

"That this House do extend upto the last day of the last week of Winter Session, 1997, the time for presentation of the Report of the Joint Committee on the Broadcasting Bill, 1997."

MR. DEPUTY-SPEAKER: The question is:

"That this House do extend upto the last day of the last week of Winter Session, 1997, the time for presentation of the Report of the Joint Committee on the Broadcasting Bill, 1997."

*The motion was adopted*

12.10 hrs.

[English]

#### MOTION RE: FOURTEENTH REPORT OF THE BUSINESS ADVISORY COMMITTEE

THE MINISTER OF TOURISM AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI SRIKANTA JENA): I beg to move:

"That this House do agree with the Fourteenth Report of the Business Advisory Committee presented to the House on the 24th July, 1997."

MR. DEPUTY-SPEAKER: The question is:

"That this House do agree with the Fourteenth Report of the Business Advisory Committee presented to the House on the 24th July, 1997."

*The motion was adopted.*

12.12 hrs.

[English]

#### OUT-OF-TURN ALLOTMENT OF GOVERNMENT RESIDENCES (VALIDATION) BILL\*

THE MINISTER OF STATE OF THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT (DR. U. VENKATESWARLU): I beg to move for leave to introduce a Bill to validate certain out-of-turn allotments made by the Central Government.

MR. DEPUTY-SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to validate certain out-of-turn allotments made by the Central Government."

SHRI ISWAR PRASANNA HAZARIKA (TEZPUR): Sir, I take serious exception to the introduction of this Bill. I feel that the House is not competent to pass the Bill for a number of reasons. There was an understanding in the last Session of Parliament that an Ordinance may have to be issued to validate the accommodation allotted to certain allottees, which were subsequently invalidated by the orders of the hon. Supreme Court. But this was to be confined to only Type III, IV and the lowest categories of employees. But by virtue of this Ordinance, the benefit has been extended right up to Type VII, VIII and the highest categories. That was not the understanding in this House.

Secondly, this Bill should be called 'Convicted Offenders (Exoneration and Acquittal) Act. The caption given is an euphemism for the caption that I am suggesting. This is palpably and blatantly unconstitutional. It is because of tyrannically, arbitray decisions of the Executive that the aggrieved people have gone to the Courts with Public

\*Published in the Gazette of India Extraordinary, Part II, Section-2 dated 25.7.97.

Interest Litigations. Now they have got certain redressal of their grievances and for this House to negate this, would be totally unfair and unjustified. Therefore, I submit that the Bill should not be allowed to be introduced.

MR. DEPUTY-SPEAKER: I have to say one thing. I have not received any notice from your side. I do not know whether the hon. Speaker has received it or not.

SHRI ISWAR PRASANNA HAZARIKA: No notice is required for this. My submission is that the House is not competent to pass this Bill.

MR. DEPUTY SPEAKER: Mr. Minister, do you have to say anything on this?

[Translation]

SHRIMATI SUSHMA SWARAJ (SOUTH DELHI): Mr. Deputy Speaker, Sir, I am on a point of order that such objections as has been raised by the hon. Members cannot be raised at the time in Introduction of the Bill. The introduction of the Bill can be opposed from the legislative competence's point of view. In my opinion the Parliament is fully competent. Please be instrumental in the introduction of the Bill. The hon. members can raise objections at consideration state of the Bill. I shall also like to state at that time only. After that the Government would take any decision. But at the introduction state, the Bill cannot be opposed other than legislative competence issues. Therefore, please, introduce the Bill.

MR. DEPUTY SPEAKER: Actually, he started saying that this House is not competent but said something else lateron.

[English]

DR. U. VENKATESWARLU: Sir, as the hon. Member has said.....

MR. DEPUTY-SPEAKER: All right, leave it.

The question is:

"That leave be granted to introduce a Bill to validate certain out-of-turn allotments made by the Central Government."

*The motion was adopted.*

DR. U. VENKATESWARLU: Sir, I introduce the Bill.

12.14 hrs.

[English]

# STATEMENT RE: OUT-OF-TURN ALLOTMENT OF GOVERNMENT RESIDENCES (VALIDATION) ORDINANCE

THE MINISTER OF STATE OF THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT (DR. U.

VENKATESWARLU): Sir, I beg to lay on the Table an explanatory statement (Hindi and English versions) showing reasons for immediate legislation by the Out-of-turn Allotment of Government Residence (Validation) Ordinance, 1997.

1. The hon. Supreme Court of India *vide* its Judgement and Order dated the 23rd December, 1996 in Writ Patition (Civil) No. 585 of 1994, directed, *inter alla*, that the out-of-turn allottees who secured Type III and above Government accommodation during the period of 1991-1995, except those whose names were included erroneously, who were given allotment on medical grounds within the existing policy, would face eviction in case their date(s) of priority was not covered. They were also required to pay enhanced licence fee at two or, as the case may be, three times of the normal licence fee for the period of occupation on out-of-turn basis. The hon. Court further directed that alternate accommodation of lower type shall be provided, wherever admissible, only after the enhanced licence fee was deposited within a period of two months of the notice. The Court laid down specific time frame for preparation of revised list of out-of-turn allottees facing eviction/ shifting to alternate accommodation and liable to pay enhanced licence fee. This was to be done within two months, i.e. by the 23rd February, 1997 and the allottees liable for eviction/payment of enhanced licence fee were to be served individual notices within thirty days thereafter, requiring them to vacate the premises within ninety days of the notice. Since such notices were issued between the 16th March, 1997 to the 22nd March, 1997 the evictions were to take place from the 23rd June, 1997 onwards.
2. In the wake of the notices issued, a large number of representations were received from various quarters including leaders of almost all political Parties for taking a humanitarian approach in the matter and to save the allottees from eviction. In this context, an All-Parties Meeting of the Leaders of various political Parties in Parliament was held on the 15th May, 1997 in which a unanimous view was taken that such allottees should be saved from eviction.
3. As Parliament was not in Session and immediate action was required to be taken in view of the fact that the date of eviction, i.e., the 23rd June, 1997 was fast approaching, the President was pleased to promulgate the Out-of-turn Allotment of Government Residences (Validation) Ordinance, 1997 (Ord. 14 of 1997) on the 21st June, 1997.

12.14 1/2 hrs.

[English]

**COTTON GINNING AND PRESSING FACTORIES  
(REPEAL) BILL\***

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): Sir, I beg to move for leave to introduce a Bill to repeal the Cotton Ginning and Pressing Factories Act, 1925.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to repeal the Cotton Ginning and Pressing Factories Act, 1925."

*The motion was adopted.*

SHRI R.L. JALAPPA: Sir, I introduce the Bill.

Sir, along with this, I also lay on the Table the explanatory note about this Bill.

12.15 hrs.

[English]

**DISCUSSION UNDER RULE 184**

**Serious Situation Arising out of the Recent  
Development in Bihar**

MR. DEPUTY-SPEAKER: Now we shall take up item No. 15—further discussion on the Motion moved by Shri Atal Bihari Vajpayee on the 24th July, 1997, as Adjournment motion and converted into Motion under Rule 184. Shri Tariq Anwar is to continue his speech.

[Translation]

SHRI TARIQ ANWAR (KATIHAR): Mr. Deputy Speaker, Sir, I had made it clear yesterday that so far as corruption was concerned, the Congress would not compromise at any cost. ...*(Interruptions)*

Sir, not only I, but Shri Atal Bihari Vajpayee had also stated same thing yesterday. He had said that there had been tradition from the time of Pt. Jawahar Lal Nehru that whenever any allegation was levelled against any Union Minister, Chief Minister or Governor during Congress rule, he willfully resigned from the office. ...*(Interruptions)*

SHRI ATAL BIHARI VAJPAYEE (LUCKNOW): Mr. Deputy Speaker, Sir, a distorted version of my speech delivered yesterday is being presented here. If allegation of corruption is levelled against somebody, it is obvious that the person is involved in corruption. Is it right to first indulge in corruption and then resign? It is right that one should resign from the office but the question is why do people indulge in corruption?

SHRI TARIQ ANWAR: Sir, Shri Vajpayee, though unwillingly, has admitted that resignations have been tendered and most of them were Congressmen.

[English]

SHRI PRADIP BHATTACHARYA (SERUMPORE): You are trying to suppress corruption whereas Congress is fighting corruption.

[Translation]

SHRI TARIQ ANWAR: Sir, as I have said earlier, Congressmen be they Chief Ministers, Ministers or persons occupying higher offices in the party, had resigned from their office when allegations of corruption were levelled against them. It is the tradition of the Congress. You must recall that Shri Narasimha Rao had also resigned ...*(Interruptions)*

Sir, it sounds strange when Bhartiya Janata Party says that they should speak against corruption because on the one hand, they are demanding the resignation of the Chief Minister on the plea that the charges of corruption have been levelled against him and he has been chargesheeted but on the other hand, the party is unable to sack its party president who has also been chargesheeted...*(Interruptions)*

SHRI HARIN PATHAK (AHMEDABAD): He has declared that he would not contest election all his life.

SHRI TARIQ ANWAR: Sir, the day Shri Laloo Prasad Yadav was chargesheeted by the CBI, the Congress Party had made its stand clear and I as well as the Congress President Shri Sitaram Kesri and the Pradesh Congress Committee at all levels had demanded that Shri Laloo Prasad should resign from the office ...*(Interruptions)* we have always talked of values. ...*(Interruptions)* We have always maintained that a person in public life should have clean image. It was in this process that even when the Congress ministers were not chargesheeted in Hawala Scam, though allegations were levelled against them, they had resigned from their offices.

Sir, so far as the support to Lalooji is concerned, I would like to remind my colleagues in BJP that we did not extend our support to Lalooji in 1990 for making him Chief Minister. Rather the BJP did so, and we opposed this move ...*(Interruptions)*. The Congress raised its voice against Lalooji from 1990 till date. Even today, we believe ...*(Interruptions)*

SHRI VIJAY GOEL (SADAR DELHI): That is why you saved Lalooji's Government ...*(Interruptions)*

PROF. RITA VERMA (DHANBAD): They have been wiped out from Bihar when they raised their voice.

SHRI TARIQ ANWAR: Persons like me were happy when Lalooji became the Chief Minister in 1990. We had thought that the youth who had emerged as a leader from the movement launched by Shri Jai Prakash Narayan would certainly contribute for the development of Bihar, removal of poverty from Bihar and for the State's progress, but we

[Shri Tariq Anwar]

were disappointed and we have been opposing and criticising him not only for the last 5 years but since his elevation to the office of the Chief Minister.

The BJP which always supported him is levelling allegations against us. I would like to make it clear that the Congress can never compromise with corruption ...*(Interruptions)* I am stating the fact ...*(Interruptions)*

DR. DEPUTY SPEAKER: I request that there should not be long interruptions, though short interruptions could be allowed.

SHRI TARIQ ANWAR: I am speaking the truth and that is why it is pinching you.

Sir, I hoped that the speech of Atal Bihari Vajpayee on corruption would not be politically motivated since the issue of corruption is a national issue and we all, by raising ourselves above party politics, will have to ponder over it. After all, the public which elects us pin their hopes on us and if we are tainted and chargesheeted, then how could we provide a neat and clean Government? Purohitji had levelled allegations against his deputy chief minister Shri Munde ...*(Interruptions)* Atalji did not mention about it. The corruption prevalent in Rajasthan ...*(Interruptions)*

PROF. RASA SINGH RAWAT (AJMER): There is no corruption ...*(Interruptions)*

SHRI GIRDHARI LAL BHARGAVA (JAIPUR): There is no corruption in Rajasthan ...*(Interruptions)*

SHRI TARIQ ANWAR: He is a Member of your party ...*(Interruptions)*

PROF. RASA SINGH RAWAT: It is just like a thief who threatens the police ...*(Interruptions)*

SHRI KODIKUNNIL SURESH (ADOOR): There are allegations after allegations in Rajasthan ...*(Interruptions)*

SHRI DATTA MEGHE (RAMTEK): One hon. Member of Parliament from your party has stated it ...*(Interruptions)* what are you stating? ...*(Interruptions)* Your MP has chargesheeted. ...*(Interruptions)*

SHRI TARIQ ANWAR: I have to make one more point clear. Yesterday, Shri Vajpayee very strongly advocated Article 356. I still remember the day December 6, 1992 when Babri mosque was demolished.

At the time when the Constitution of India, the secularism of India was attacked, when they went back on their promise and when the Union Government dismissed the Government of Bhartiya Janata Party under Article 356, they not only vehemently opposed the move but went to court also we are happy that they have realised their mistake today. Today they have realised that Article 356 have been used properly during the Congress regime ...*(Interruptions)*

[English]

SHRI SOMNATH CHATTERJEE (BOLPUR): Mr. Deputy-Speaker, Sir, there cannot be running replies to every

sentence. There may be some interruptions, but not in every sentence.

MR. DEPUTY SPEAKER: I have already said that.

SHRI SOMNATH CHATTERJEE: Sir, yesterday Atalji rightly sat down. But the same thing is happening today.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, what happened there yesterday, is perhaps happening here today ...*(Interruptions)*

SHRI SOMNATH CHATTERJEE: It is wrong. You please say that it should not happen ...*(Interruptions)*

MR. DEPUTY SPEAKER: Nidar ji, you may please sit down. You have made your point ...*(Interruptions)*

SHRI TARIQ ANWAR: As I have said we would have to look to the intention behind this motion. If this motion is truly against corruption, it is good. But if it only fulfils the political interest, we would have to think over it. As I have said at the beginning that the Congress has been opposing it at any cost and we have made a demand at every level that Lalooji should step down. I want to reiterate the same thing and would like to say clearly that it is wrong to think in such terms about the Congress. Yesterday Atalji asked as to what we did in Bihar, we could topple the Laloo Government in Bihar. We do admit that we remained neutral there. But the reason thereof was that on one side there was corruption and on the other side there was communalism before us. While we wanted to eradicate corruption at any cost, we also had resolved to fight against communalism and communal forces. We don't want at any cost that the Communal forces in this country take advantage of that. Therefore, our stand was quiet dear. There was no confusion regarding that.

I hope that it must have become clear from it now that the Congress has always, as history testifies, raised voice against corruption and will continue to raise it in future. With these words, I conclude my speech.

[English]

SHRI SOMNATH CHATTERJEE: Mr. Deputy-Speaker, Sir, I am happy that today we are discussing the issue procedurally in a more realistic form as a discussion under Rule 184 then as an Adjournment Motion. Of course, I am not questioning the hon. Speaker's decision.

Sir, it is a great agony that in the 50th year of our Independence, when we are celebrating a great event in our national life the issue of corruption has come to occupy the centrestage and our national life today is being threatened. Today, the hon. new Rashtrapatiiji, in his speech addressed to the nation, mentioned two aspects of our life very stridently and very pertinently.

One is the question of secularism which has to be maintained at any cost, and upon which there is a lot of attack being made; and no less important is the question

of corruption. In today's speech, he could not avoid mentioning it. With your permission, I wish to quote:

"On January 26, 1948 just a few days before his martyrdom, Gandhiji, at his prayer meeting, referred to the demon of corruption, adding that indifference in such matters is criminal. Since Gandhiji uttered these prophetic and cautionary words, corruption has become widespread; violence has been erupting in almost every walk of life, and the values which have been cherished are being eroded in an alarming manner."

Therefore, he has rightly and agonisingly referred to corruption having become widespread. It is being proved now. Since this Monsoon Session has started, this is the matter which is rightly agitating us.

Speaking on behalf of our Party, we have always insisted on total probity and morality in public life. That is why, while I was opposing the form of motion, I made it very clear that we want an immediate discussion on the issue of corruption which is eating into the vitals of our nation.

Sir, the question here is a question of what is happening in Bihar. Although the Motion does not mention any name, but we know who occupies the centre stage. The question is: what should have been done by the present Chief Minister of Bihar? I am one, and I am sure that everybody should be one on that view, who thinks that the presumption of innocence should prevail, whatever it may be. The personality should not create doubts over the very well established principle of civilised jurisprudence, namely, presumption of innocence. Earlier, when the occasion came, I said on the floor of the House that I am one who assumes him to be innocent. But there are some persons occupying certain positions in national life, who cannot allow themselves to be under a cloud or a shadow. Here, it is more than a cloud, in the sense that serious allegations have been made. The CBI still retains to some a lot of position about their efficiency and capacity, that they have filed charge-sheets against him—a Chief Minister who is facing not only an investigation but almost a trial. Yesterday, it has been accepted by the trying Magistrate or the designated Judge, and he has taken cognizance of the charge-sheet. Therefore, there is, according to the learned Judge and also the High Court, a *prima facie* case. The *prima facie* case has also been determined by the hon. Governor of Bihar. Therefore, in the fitness of things, he should have stepped down from his Office, waited for a judicial determination of the charges against him. If he is what he says, namely, that he is innocent, we have that faith in our judicial system, he would have been proved innocent and not guilty, and he would have come back with a higher image, a better image and in flying colours. Unfortunately, that friendly suggestion, I think it is a good suggestion given by many of us, was not accepted by Shri Laloo Prasad Yadav. His present dormant stature will not make him an enemy of us, at least not mine. But he unfortunately did not listen to the good

friendly advice.

Today, we have a situation where the whole country is agitated. There is nothing in the electronic media, print media and in the discussion among the people except corruption. "Is nothing else happening in this country? Everybody is corrupt" is what the people are thinking, may be in a way rightly. The judiciary is now admonishing all the Members of Parliament. If you kindly sum up the observations, one day, I do not know what will happen to the Parliament. I think, my days are numbered. But there are many young people—the next century belongs to the young. Every Member of Parliament, those present here and those who will come here, is being admonished as being corrupt or inefficient.

Therefore, the Judiciary is intervening in both the admittedly matters of the Legislature and the admitted matters of the Executive. We do not know where we are going. The supposed reason that they advance appears to be that we are not functioning, that we are corrupt, that the administration is corrupt and the politicians are corrupt. This is now getting ingrained in the minds of the people, the ordinary people and those who are bringing up their children that this is a country which is steeped into corruption. We know there is corruption. It is not only Shri Atal Bihari Vajpayee but everybody is saying about corruption. But instead of putting our heads together to weed out corruption, we are only utilising it as a political scoring point in the debates.

Now, the competition is: who is more corrupt amongst politicians? Will that solve the problem if we go by the fact that which party is more corrupt, which party is less conscious about weeding out corruption? If this type of accounts are to be taken, I do not know how we solve it. Sometimes it helps us politically. For example, if I get somebody as my opponent, I can accuse him of corruption. It may help me. But it does not help the polity. It does not help the country as a whole. It does not help the future. Therefore, this is a very very important matter. That is why, it has been rightly raised. The importance of probity, morality and legality in public life can never be minimised, can never be under-estimated or under-emphasised. Therefore, we have been saying that it is a country which has a tremendous potential; it is a country which has tremendous resources and it is a country which we say of tremendous present and future. But we are always non-achievers. We have become non-achievers. We are running after events. I find that we can no longer fashion the events. We have no national agenda today. The President has also to speak that there are certain things which should be above the party politics. But today we hardly find time here to discuss matters like the populist problems or population problems or poverty problems, problems like illiteracy, child care and attacks on women. Therefore, I very earnestly appeal that we should do something. Yes, there are many many issues in the country. We can make them very actualy political, acutely partisan. There is no doubt about it. There are many issues. We fundamentally differ on many issues. There is the question of secularism. There can be no compromise



[Shri Somnath Chatterjee]

so far as we are concerned. There are certain issues, I am sorry to say, that we can never agree with the views of our friends opposite, with their formulations. There are certain issues about which certainly more parties than one can agree. Therefore, probably a time has come for the formulation of a national agenda. In my very very humble way, limited sphere of influence and reach, I have been trying to say that the time has come for the formulation of some sort of a national agenda for our country.

Today, we are talking about what is happening in Bihar. What is happening in Bihar is a matter for national shame. What is happening even in the Bihar Assembly? What has happened there? ...*(Interruptions)* I am not mentioning the names. But it has appeared in an important journal, apparently a responsible journal. It says that when the matter was being discussed in the Bihar Assembly, some Members tried to pull off the Speaker's *dhoti and kurta*. I am not mentioning the name of the party. But you can look into this journal "*India Today*" of 28th July, 1997—page 44. It has been further stated that some other Member responded by biting their hands! Whoever it may be, are you not ashamed of it? The Speaker's *dhoti and kurta* being taken away! I thought the event, incident of Gujarat was the last incident. But such propensity is there—taking off the *dhoti and kurta* of leaders! I am not mentioning the name of the party ...*(Interruptions)*

SHRI RAM NAIK (MUMBAI NORTH): All your sermon is of no use.

SHRI SOMNATH CHATTERJEE: When my humble submission has become abuse to the BJP, then I will be under a shadow!

Therefore, these incidents should be avoided. Now we have been trying to understand it and the hon. Prime Minister made it every clear yesterday as to what is to be done. I am also asking myself: What is the solution? So far as the Central Government is concerned, apart from giving friendly pieces of advice, good pieces of advice and suggestions, the Governor may have certain powers. There is also controversy over it because a situation like this has not arisen before. When I interjected yesterday, Shri Vajpayee might have been annoyed with me. I said: "You are talking of imposition of Article 356 so far as State Governments are concerned. But what would happen if it had been in the Centre? What would you have done?" At one time, we found in this country that almost half of them had to resign in the Centre because of charges of corruption against them. There were severest types of accusations, allegations or charge-sheets against a former Prime Minister. What would you do then? I am one of those who have never believed that the Central Ministers *per se* are more intelligent and more patriotic or the Central Government *per se* can be more patriotic and more well-meaning and, therefore, the Centre can never do wrong. I never expect that anybody can be infallible in this world, neither the judiciary nor the legislature nor the executive. Therefore,

what would happen if the Centre goes wrong? Is there a solution? Who can take over the jurisdiction of the Central Government? We are reminded that the judiciary is intervening because we are not performing our role. Can the judiciary take over the Central administration? They are nibbling at it, they are taking many of it. I have my own reservations except what the law permits. But who will take over the Central Government's administration? We even shudder to mention other forces that are there. That is what is happening in the rest of the sub-continent, in other countries, even in Asia or in Africa. Would you like that type of take over here? Therefore, this is a matter where imposition of Article 356 is not a solution, assumption of authority is not a solution. The solution lies in striking at the root of it, to create some conventions. Conventions add lustre to bare rules and regulations. The convention is, whenever there are charges or allegations against anybody in position of power, he should step down, invite proper investigation, invite proper inquiry. Let him establish his innocence in a way that is permitted by law. That is why, I join the issue even now with the type of Motion, namely, "passive attitude of the Central Government over recent developments in Bihar." Therefore, if I am echoing the hon. Prime Minister's query, what sort of activity was expected here? It was either imposition of Article 356 or persuading the Governor to dismiss the Chief Minister or the moral pressure being put. The Prime Minister has said that he has no reason to disbelieve him. Everybody knows in this country that my party in the UF has taken a very firm attitude, stringent attitude in a sense that we are opposing even the continuance of those who are supporting or those who have broken away from the Janata Dal because they are supporting their leader, the Chief Minister of Bihar against whom such serious charges are there. We have taken that firm position. People are talking as if we are trying to break the United Front. That is not our objective. We are one of the parties which have very strenuously fought for the formation of the United Front. We have been a party to the CMP so that in this country which cannot afford not to have a secular administration, there will be a secular Government and an honest administration. There can be no compromise on secularism, there can be no compromise on corruption. Therefore, these are the basic issues and to that extent, we have taken such a firm attitude.

But the imposition of Article 356 cannot be the solution. Therefore, even now, the time has come for this nation, for the political leaders and every section of the people to try to find out the solution. I have not got a ready-made solution for this. I have not got that much of capacity to give advice to others but this is a matter which requires that all heads should be put together to find out the solution and commitment.

Some suggestions are being made as to how to control the black money in this country. Everybody says that instead of the black money being controlled, it is proliferating. The other day, I heard the Finance Minister on Television. He

was mentioning that 'It is very difficult to mention the exact figure but it is much much more, many times more than what it is mentioned in the report of 1980.' Therefore, this has been the result. What is the solution to this? Unless all parties sit together and every right thinking citizen of this country try to find out the way out and decide, there cannot be any solution to this problem.

12.46 hrs.

(SHRI BASU DEB ACHARIA *in the Chair*)

The other agony that I am having is that the principles of separation of powers are losing their importance. The distinguishing lines are losing their identity and today we are inviting other agencies, other organs to enter areas what they should fear to tread. Even the last Chief Justice of India, Justice Ahmedi said: "Temporarily, we have taken up an aggressive role". Shri Chandra Shekhar Ji, that is the language used by him—'aggressive role by the judiciary'. He then said, "I hope it is temporary". Why have you taken that role? It is because of the total non-functioning of the legislatures, the Members of Parliament. Therefore, there is all pervading corruption. We have to get at it. I have always said that it was a very unfortunate day when the Congress Party decided to bail out one judge of the Supreme Court who should have been rightly treated. That was a very sad day for our country; that has given many ideas to many in many place and today that has been treated as an act of approval of the corruption.

Shri Tariq Anwar Ji, it is no good saying that 'I am an angel'. It has to be perceived that you are an angel by people generally. Therefore, we can do it only by our act and conduct, by our commitments to certain principles.

Therefore, Sir, it is not a day too soon that this discussion has come up before this House. I do not wish to inflict a longer speech but I hope that the effect of this debate on the floor of this House will percolate to all the areas.

So far on this matter, I cannot find any fault with the Central Government because one Minister who was in the Central Government was asked to resign and he has resigned. The Prime Minister has said that he has recommended or requested the Chief Minister of the different States to form special courts and he has advised the present Chief Minister also. I do not know whether the Chief Minister is still there. I still hope that he will resign, if he has not. There will be no dearth of Chief Ministers, I am sure, even from this Party...(Interruptions)

[Translation]

SHRI RAJEHH RANJAN ALIAS PAPPU YADAV (PURNIA): Today also he has spoken that he will not resign.

[English]

SHRI SOMNATH CHATTERJEE: Therefore, what I feel is that there is time for introspection and that should be done. We must look into this matter.

I do not want to create an atmosphere of despair. That is not my intention. I do not say that there is no future. This country has a great future. It has a future. I am not saying that we cannot reverse the position. That is not my intention. The time has come when we must carefully and seriously look into it. I say, we are happy that there are many leaders in this country who can give a lead in this matter. It is time that that lead is given, that leadership is provided. I do not want to create an atmosphere of despair that everyone is a crook in this country. Everyone is not a crook in this country. But, unfortunately, a few people are misusing the system to the extent that constitutional propriety is denied, disputed or not being followed.

I found that yesterday's speech of Shri Vajpayee has become No. 3 story, after the decision of the Patna High Court, which is the lead story in every newspaper. I was trying to find out whether it was the Prime Minister's speech or Shri Vajpayee's speech, which had got the greater publicity today. An important item in every newspaper is the decision of the Patna High Court. This also has to be changed. It is not that everything is corrupt but corruption is there. It is a matter which cannot be any longer ignored. Therefore, let us not, in this situation, witness, as I said, one organ of the State encroaching on another organ's area. That will create an imbalance. That is not good for the country, in my humble opinion.

We have many things to do in our own spheres. Parliament cannot discuss some issues because of many reasons. In administration, there are allegations about at least the time element and lack of discipline. Time has lost all value to many in this country. The people of this country have waited long. Even today, our President has said that we have to look after the people and serve them for their economic upliftment. The youth of this country will not wait indefinitely.

The judiciary has a very important role to play. With all respect to the judiciary, I submit this. When there is a remissness, judicial interference is required according to law. But, at the same time, let an impression not be created that anybody and everybody who is accused of anything must necessarily be guilty. This is a very dangerous proposition. It should not be done.

Again, I request the Chief Minister of Bihar, Shri Laloo Prasad Yadav to resign and to take part in the proceedings that have been initiated against him. Let normalcy return. Let that message go. That message has to be asserted. We cannot compromise on that. It is time for him that he should resign. I do not want the Central Government to impose Article 356. In the combined wisdom of the Lok Sabha and of the Parliament of India the message goes that, "Please do not bring discredit to that office, whether you are guilty or not; you please resign so that the tension is less. Let the affairs of the country and the affairs of the State take their normal course."

This is very important. There can be no compromise. The Constitution must prevail; constitutional morality must

[Shri Somnath Chatterjee]

prevail. Therefore, I again request Shri Laloo Prasad Yadav to step down, as we have said...*(Interruptions)* I have been trying to avoid contentious issues. It is different if you force me. It is for you to decide whether to provoke me or not. It is the misfortune of this country that on certain issues we are trying to score debating points than trying to adjust to the real core of the issue. This is the point.

Let us today go from the House with the resolve that we shall never compromise. Nobody will compromise with the charges of corruption. But at the same time we shall not allow our constitution to be vitiated by any and every *ad hoc* measures.

SHRI P. UPENDRA (VIJAYAWADA): Sir, I am on a point of order. Yesterday the House had decided to convert the Adjournment Motion moved by the Leader of the Opposition into a Motion under Rule 184.

MR. CHAIRMAN: It has been converted.

*(Interruptions)*

SHRI P. UPENDRA: Sir, the language of the Motion was appropriate for an Adjournment Motion because the point to be decided was the adjournment of the House which was indirectly a censure of the Government. Rule 191 says,

"The Speaker shall, at the appointed hour on the allotted day or the last of the allotted days, as the case may be, forthwith put every question necessary to determine the decision of the House on the original question".

*(Interruptions)*

MR. CHAIRMAN: Yesterday, you were not present in the House.

*(Interruptions)*

SHRI P. UPENDRA: I want to know on what the House is expected to give its decision because the language says, "serious situation has arisen in Bihar". What are we going to decide? What are we going to vote for? ...*(Interruptions)*

MR. CHAIRMAN: Yesterday, the House had decided to convert it into a Motion under Rule 184.

*(Interruptions)*

SHRI P. UPENDRA: I agree. But the language should have been changed to suit the Motion under Rule 184. ...*(Interruptions)* On what issue the House will give its decision? On what issue are we going to vote? Are we going to talk it out or are we going to decide upon it? ...*(Interruptions)*

MR. CHAIRMAN: It has been already decided.

*(Interruptions)*

SHRI P. UPENDRA: Sir, You read the Motion. ...*(Interruptions)*

[Translation]

SHRI NITISH KUMAR (BARH): That means the House can not discuss. It is a sort of conspiracy and we have wasted one-a-half hour yesterday and we are wasting time today also. By doing so we are cutting into debating time.

[English]

MR. CHAIRMAN: Shri Upendra, this has already been decided.

*(Interruptions)*

MR. CHAIRMAN: It has already been decided. Please allow others to participate. It has been decided with the consent of the House to convert it into a Motion under Rule 184.

*(Interruptions)*

MR. CHAIRMAN: There is no point of order now. Shri Upendra, please take your seat.

*(Interruptions)*

MR. CHAIRMAN: Shri Upendra, you were not present in the House.

*(Interruptions)*

MR. CHAIRMAN: It has been already decided. With the consent of the House, yesterday it was decided to convert the Adjournment Motion into a Motion under Rule 184.

*(Interruptions)*

SHRI P. UPENDRA: What is the point on which we are going to vote? ...*(Interruptions)*

SHRI NITISH KUMAR: It will be decided at the time of voting. Why are you wasting the time of the debate? You are trying to scuttle the debate ...*(Interruptions)*

MR. CHAIRMAN: Shri Upendra, please take your seat.

We will continue the debate. There would be no lunch hour today because we will have to conclude it by 3.30 pm as we will have to take up Private Members' Business.

13.00 hrs.

[Translation]

PROF. AJIT KUMAR MEHTA (SAMASTIPUR): Mr. Chairman, Sir, I agree with my esteemed colleague Shri Somnath Chatterjee to a great extent that this discussion should not be initiated here in this manner and I had also objected at that time in this regard saying that the subject of discussion is not clear. The discussion is different from the subject. If discussion was to be held on corruption, discussion should have been on the invocation of article 356 in Bihar which had the approval of the leader of the opposition. A motion for that purpose should have been moved clearly. It is their intention, you are opening up

pandora's box by bringing forward the discussion in this way. All States would be covered in that and in this way there will be talk of holding the discussion in regard to all States. This convention would not be good for future. There are constitutionally elected Governments in all the States. There are statutory bodies, Legislative Assemblies there. It would be against the provisions of the constitution to discuss here what happened in legislative Assemblies and Legislative Councils. It would be going against the constitutional provisions and spirit. If we go against the constitution in this house, it would set forth a wrong example before the country.

Mr. Chairman, Sir, other cases of corruption are also raised. It is true that CBI has levelled the charges of corruption against the Chief Minister of Bihar but the charges of corruption have been levelled at many place through various means when have been discussed by other leaders. In it there is Rajasthan, West Bengal, Assam and many other States. Would discussions be held here regarding all those cases.

All that we are giving here by way of examples would be enough to implicate all of them. Therefore, I did not favour that the discussion to take such a shape. Discussion should have been held in some other form. So far as the question of the failure of the Government is concerned, as raised by the hon'ble Leader of Opposition in my view our Prime Minister has replied befittingly to that. It would be to repeat those things if we held more discussion on that. I want to say some more things.

Today through newspapers, Print media, electronic media and by some people, an atmosphere is being created against a Chief Minister. An atmosphere is being created against Laloo Yadav ji this matter is shortly to come up before the court. These media held trial for one and a half year now and declared a man quiet whose case has not yet been taken up by the Court so far. Hon'ble Leader of the Opposition discussed about shape up in our Party. I have high regards for Atal ji. He has been our hon'ble Leader also when I was in the Janata Party. Today also, outside the house we show respect towards him, but was it necessary to raise this matter here.

He cannot keep his own house in order, we have seen it in Gujarat. In spite of his efforts he could not check the convulsions in his own party there. Then he does not have any right to discuss the matters relating to our Party in this House. I think, by his speech he has lowered the esteem, which we have in our hearts for him. I beg his pardon for saying bitter things before him. But I am helpless because he has raised the discussion.

Yesterday, hon'ble Leader of the Opposition held discussions joined together both the public opinion and public decorum. Whether the opinion of some people would be called the public opinion? Whether the opinion of public representatives, the elected M.L.As has no significance? Whether the 10, 15 or 20 persons only who represent the public opinion? ...*(Interruptions)*. We also represent the full Public opinion and we don't claim that we represent the

whole of India. But they are making those claim, I am surprised at that they have different norms for themselves and us ...*(Interruptions)* Just 15-20 persons including you consider themselves the representative of the whole State and you think that the MLA's don't represent other people. I am surprised at it ...*(Interruptions)*

All that I have to say in the last is whether you would find some way to ignore the statutory bodies. The CBI has levelled charge, it is all right that CBI is an investigating agency. CBI is like Police. But do you consider the charge levelled by the Police as correct. Whether it is not a fact that it is decided in court and if this charge is considered as true or if the charged levelled by others is considered as true then make out the person against whom there is no charge. There are few Members of Parliament against whom no charge has been levelled either through one agency or other. Only yesterday, an unbecoming incident occurred in this House and I am sorry for that unrestrained things were published in a newspaper against an hon'ble Member. Will we consider that charge as true. Many people level charge in this way. They talk about the CBI, which CBI they are talking about, the one which levelled charges against many of our past and present hon'ble Leaders?

SHRI RAJENDRA AGNIHOTRI (JHANSI): The CBI which is under your Prime Minister is investigating it.

PROF. AJIT KUMAR MEHTA: These allegations were not considered proper by the court, and were turned down. Yesterday also, some decisions have been made. At last, the court has also some responsibilities and functions. You yourself want to perform the functions of court, you encourage the media to do this work. As such no good tradition is being set up. Mr. Chairman, Sir, I am surprised to see that our hon'ble colleague Shri Som Nath Chatterjee has mentioned the role of judiciary by considering these allegations.

According to him, the Chief Justice has said that judiciary has adopted aggressive role. I am of the view that it sometimes crosses its jurisdiction or limit also. It is necessary that the monitoring court also pass orders? I am not saying it for the purpose of criticising someone but are you agree with this that the Institution levelling allegations should also give decisions. If it is so then what is the necessity of court ...*(Interruptions)* The things which cannot be said within 5-10 minutes that cannot be said in the entire life. I don't leave today's work for tomorrow.

In the end, I want to say that if the aspirations of people, their views are turned down by some institutions in such a way then the democracy cannot function in the country. I am saying it here because recently 4-5 days ago the Chief Minister of Bihar has proved majority in the legislative assembly. Here Some people can say that he has ousted his opponents, for a moment I accept it but how many votes he got in the Legislative Assembly, you count them. If all the members of opposition were present there at that time they could not have prevented him from getting vote of confidence. You count all the members of opposition parties including Samata Party, Bhartiya Janata Party and Con-

[Prof. Ajit Kumar Mehta]

gress what was their total strength. You can imagine from this that the person who has public support, majority is in his favour, I consider the institution levelling charges against him that these are some people of vested interest who have contacts with outsiders and they are working with their connivance. The Director of CBI is a person who used to work under the influence of former Prime Minister, there is one additional Director, who is looking after this investigation who have worked under a Chief Minister of West Bengal in such a situation shall I reach to this conclusion ...*(Interruptions)* When I am speaking, you please sit down.

MR. CHAIRMAN: Mehtaji, you were concluding. Now please conclude.....

*(Interruptions)*

PROF. AJIT KUMAR MEHTA: I am of the view that connivance between them cannot take place. If due to this the functioning of constitutionally elected government become impossible, if any such institution started making allegations against it then, whether it stops functioning? ...*(Interruptions)* Whether you want to let me speak or not? Let me conclude ...*(Interruptions)*

MR. CHAIRMAN: Please conclude now.

PROF. AJIT KUMAR MEHTA: I want to say that if such tradition continues in this country then democracy will come to an end. If some bureaucratic institution or Government agency levels such serious charges on some constitutionally elected person or institutions, till that has not been substantiated by the court, the functioning of the constitutional institution or person cannot be questioned, it should be stopped.

With these words, Mr. Chairman, Sir, while thanking you I conclude.

SHRI ANANT GANGARAM GEETE (RATNAGIRI): Mr. Chairman, Sir, I rise to support the motion moved by the leader of opposition Hon'ble Shri Atal Bihari Vajpayee. The CBI has chargesheeted the Chief Minister of Bihar, Shri Laloo Prasad Yadav in Fodder scam. The Governor of Bihar has also given his consent to initiate legal action against him. Then this matter went to court. When this matter went to court, then the Chief Minister of Bihar went to court for anticipatory bail, the Patna High Court has also refused to give anticipatory bail. When such a situation has risen and the Chief of the Bihar state administration, who has the reins of entire state in the hands if allegations are levelled against him and Governor permits to file case against him and High court refuse to grant bail and when at this juncture the problem arises that if the discussion on this matter cannot take place in this House then where will it be held?

Mr. Chairman, Sir, all the speakers who have spoken prior to me on this issue have said that Laloo Prasadji must quit his post, no one has supported him and when Shri Mehta was speaking here, then I surprised to know that he has levelled charges on CBI itself. He levelled charges against the Director of CBI and he is the Member of

Treasury benches then how could they level such a charge. Yesterday when Prime Minister was speaking he himself made it clear that the Prime Minister in the administrative head of the CBI which has levelled charges on Shri Laloo Prasad Yadav and today when Mr. Mehta is levelling charges on CBI as such he is making allegations on Prime Minister because the CBI is under him. Its Head is Prime Minister. As such Mehtaji you are putting allegations on your Prime Minister.

Mr. Chairman, Sir, yesterday when the leader of opposition, Shri Atal Bihari Vajpayee was speaking on adjournment Motion, then it surprised me that during his speech hon'ble Members of treasury benches continued to interrupt him. Efforts were made to prevent him from speaking and he was not being allowed to speak. Whenever the leader of opposition is not allowed to speak in the House, you can yourself imagine what could have been happened in Bihar ...*(Interruptions)*

SHRI RAM KRIPAL YADAV (PATNA): What happens in Maharashtra ...*(Interruptions)*

SHRI ANANT GANGA RAM GEETE: I would like to tell you as to what happens in Maharashtra. Maharashtra is an ideal for the country. We would tell you as to what happens in Maharashtra. ...*(Interruptions)*

MR. CHAIRMAN: Geetaji, please deliver your remaining speech on Monday. Now please take your seat.

*[English]*

As this debate would continue on Monday as well, if the House agrees, could we now break for lunch?

SEVERAL HON. MEMBERS: Yes, Sir.

MR. CHAIRMAN: The House stands adjourned to meet again at 2.20 PM.

13.19 hrs.

*The Lok Sabha then adjourned for Lunch till Twenty Minutes past Fourteen of the Clock.*

14.24 hrs.

*The Lok Sabha re-assembled after Lunch at Twenty-Four Minutes past Fourteen of the Clock.*

(MR. DEPUTY-SPEAKER *In the Chair*)

*[English]*

#### PAPERS LAID ON THE TABLE

Notification under Sub Section (2) of section 38 of the Central Excise Act, 1944 etc.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I beg to lay on the Table a copy\* each of the following notification (Hindi and English versions)

\* With an explanatory memorandum.

under sub-section (2) of Section 38 of the Central Excise Act, 1944:-

- (i) Notification No. 22/97-CE (N.T.) published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum regarding collection of excise duty on these ingots and billets on the basis of the annual capacity of the factory manufacturing such ingots and billets.
- (ii) Notification No. 23/97-CE (N.T.) published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum regarding collection of excise duty on specified products on the basis of the annual capacity of production of the factory manufacturing such products.
- (iii) The Induction Furnace Annual Capacity Determination Rules, 1997, published in Notification No. 24/97-CE (N.T.) in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum.
- (iv) The Hot Re-rolling Steel Mills Annual Capacity Determination Rules, 1997, published in Notification No. 25/97-CE (N.T.) in Gazette of India dated the 25th July, 1997 together.
- (v) Notification No. 26/97-CE (N.T.) published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum seeking to amend Notification No. 5/94-C.E. (N.T.) dated the 1st March, 1994, with the aim of not allowing the credit of duty paid on.
- (vi) The Central Excise (Sixth Amendment) Rules, 1997 published in Notification No. 27/97-C.E. (N.T.) in Gazette of India dated 25th July, 1997 together with an explanatory memorandum.
- (vii) Notification No. 42/97-C.E. published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum seeking to prescribe a rate of Rs. 750 per metric tonne of the annual capacity of production as the duty of excise chargeable on specified ingots and billets of non-alloy steel.
- (viii) Notification No. 43/97-C.E. published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum seeking to prescribe a rate of Rs. 400 per metric tonne of the annual capacity of production as the duty of excise chargeable on specified hot re-rolled products of non-alloy steel.
- (ix) Notification No. 41/97-C.E. published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum seeking to amend notification No. 16/97-C.E. dated the 1st April, 1997.
- (x) Notification No. 45/97-C.E. published in Gazette of India dated the 25th July, 1997 together with an explanatory memorandum seeking to amend notification No. 38/97-C.E. dated 27 June, 1997.

[Placed in Library. See No. LT 2185-A/97]

14.25 hrs.

### Serious Situation Arising out of the Recent Developments in Bihar Contd.

[Translation]

SHRI ANANT GANGA RAM GEETE: Mr. Deputy Speaker, Sir, yesterday when the Leader of Opposition was speaking on the adjournment motion, he was interrupted every time. He was interrupted time and again. He expressed his views for one hour but he could speak properly for ten minutes out of that one hour. When the Leader of Opposition is interrupted in this House then you can imagine the situation in Bihar. We have read in the newspapers that the train in which hon. Railway Minister was travelling along with Shri Sharad Yadav and Pappu Yadav was attacked. This condition prevails in the entire State. There is nothing like law and order in the entire Bihar. A strange situation has come up in the entire State.

A few days back I had been to Calcutta on a committee tour. I had been to Assam and Himachal Pradesh also. When I went to Calcutta I came to know that all the labourers are Biharis. The same was heard in Himachal Pradesh. The labourers working in the coal mines in the Vidharbha region of Maharashtra are also Biharis. Today, the labourer in each big city and State are Biharis. It means that the people of Bihar do not want to live in Bihar. They are going everywhere for labour. When the people of a State do labour work in lakhs then it is not a matter of pride for the State. Today, the condition is far worse. The Chief of the State against whom the charges of corruption stand would put the entire Government force to save himself. How development work can be executed there? Who would listen the problems of people there. Such sort of strange situation is prevailing there. When the discussion on this topic was going on then each leader said that the hon. Chief Minister should step down.

We were surprised to listen the speech of our colleague from Congress, Shri Tariq Anwar. He strongly said that they were against corruption and Congress have neither compromised with corruption nor it intends to do so. But if you go through the history of our country for the last 5-7 years, you would come to know that all the scams took place during the Congress regime and today they are speaking against corruption. We heard the speech of Shri Somnath Chatterjee here. He is praying along with the entire House. We talk here about the democracy. This is the apex House of this country. This opinion of this House would be the opinion of the democracy. If the House wants that anyone occupying high post be the Chief Minister or any are else and there are any charges against him, then he should step down immediately. If this is the opinion of the House then it is the opinion of the House then it is the opinion of the democracy. What else can be the opinion of the democracy than this one. But even that is not honoured. When such a strange situation has developed then the question arises as to what the hon. Prime Minister wants to do further. He has said that he has carried out his responsibility. CBI is under him and the charge sheet was given by the CBI. We

[Shri Anant Ganga Ram Geete]

have done our duty. One Union Minister involved in that scam has been sacked. The tradition and the values discussed by the Leader of Opposition here were the tradition of this country till date. When charges were levelled against any big Minister or the Chief Minister, they used to tender their resignation themselves. We have an example of Antule ji. He was the Chief Minister of Maharashtra. It was asked here as to what happened in Maharashtra. Maharashtra is an ideal for this country. When charges were levelled against Antuleji, he resigned immediately. He was acquitted of charges by the court and today he is present in the House with dignity ...*(Interruptions)*

[English]

MR. DEPUTY SPEAKER: No interruptions please.

[Translation]

SHRI ANANT GANGA RAM GEETE: Mr. Deputy Speaker, Sir, one or two months back charges were levelled against one of the Ministers of Maharashtra. A social worker levelled charges against him. The Chief Minister of Maharashtra immediately removed those two Ministers from their offices. The Purnik Committee was appointed there. When the Purnik committee also gave this report that prima facie these ministers seem to be guilty, they were removed from their ministerial offices too. A charge was immediately levelled against them though the case was yet to be filed in the court. The Government has formed a committee but still they were removed. Maharashtra is an ideal state and therefore we should not speak against Maharashtra here. Maharashtra is not only the ideal State but the whole country is ideal. A mention has been made about Advaniji here who has been acquitted in the Hawala racket. A mention was made about him yesterday here. Laloo Prasad, the Chief Minister of Bihar against whom charges of corruption have been levelled, should have better resigned from the office of Chief Minister. Who will be the Chief Minister? We are not at all interested. Who should be made Chief Minister, we are least concerned about that also. But charges have been levelled against the Chief Minister and the Chief Minister has not been granted bail. Now we hear that a warrant has been issued against him. When this is the position what will happen? Bihar is not outside the country. Bihar is a part and parcel of this country. When such a situation arises definitely this issue will be raised in this House only. Where else it could be raised? It can be raised in the form of the adjournment motion, or under rule 184, the discussion would take place in this House itself. The discussion on that issue be held in this House only in the interest of the country, in the interest of the Republic and in the interest of the law and order. It is being opposed here. A mention is repeatedly being made about Maharashtra. Nothing wrong has been done by the Maharashtra Government in Maharashtra and no accusations can be made against the Government. You cannot quote even a single instance where any atrocities have been committed on the Hindus, Dalits or Muslims ...*(Interruptions)* or any ethnic riots have taken place during

the rule of the Shive Sena and the BJP in Maharashtra for the last two and half years...*(Interruptions)*. Whatever has happened is an incident and a tragedy and a Committee has been appointed under the Chairmanship of a sitting judge to go into that *(Interruptions)*. That was not a riot but it was rather a police accident that was not all pre-planned. Since a Committee Under the Chairmanship of a sitting judge has been constituted will come out before our public, society and the country. But the problems is when a charge of corruption has been levelled against a Chief Minister and his fellow Ministers and still that Chief Minister does not wish to demit his offices. What could be done in that case. Reply has to be given to the people of this country. Only this august House can reply to this question and only our Prime Minister can give its reply. Therefore I support this motion. I thank you very much for the opportunity given to me to speak.

SHRI RAJIV PRATAP RUDY (CHHAPRA): Sir, the man who is a matter of concern for whole of the country today and the man who has created a problem before the country, I have been elected from that very area a year ago which he used to represent.

Today, when the motion of adjournment was moved by Vajpayeeji and when I moved the adjournment motion simultaneously the leader of the opposition spoke on the issue and the Prime Minister stood up to give his reply immediately at that very moment the whole picture of Bihar came before my eyes and I listened to Prime Minister's statement and the way the Prime Minister of India began to speak, it seemed to me as if some saint has come here, a noble soul has come here and the responsibility to govern this country has been shouldered on him. I thought that he wanted to bring an era of truth by invoking the voice of conscience of all. He said many things, he said two-three things very categorically after taking oath of office. He said that

[English]

I will not do with-hunting. I will be transparent. I will not spare corrupt people.

[Translation]

And he repeatedly said the above things. Yesterday he also wanted to take credit of the probe which the C.B.I. conducted in Bihar: whose agency is the C.B.I.? C.B.I. filed chargesheet and he said assertively that whose agency was the C.B.I.. C.B.I. operates from the Prime Minister's office. I would like to ask the hon. Prime Minister when he was saying in so strong words, what happened that day when an official of the C.B.I. pleaded before the Patna High Court that armed people are roaming all-around Patna city and there was danger to the lives of the C.B.I. officers. Prime Minister, Sir what sort of security would you provide to your officers? The High Court said that the security had to be provided and they informed the union Government about that. I would like to convey to the Prime Minister the observations made by the High Court in this context. They categorically said:



[English]

There has been a concerted effort to defeat the matter and we are not to sit idle.

[Translation]

The intelligence agency of the country sends the information to them. The High Court Judge says:

[English]

There is a concerted effort to scuttle this investigation.

[Translation]

Hon. Prime Minister, Sir. You are also the head of that office. On one hand the High court is compelled to say that the centre is interfering in its matters. The Prime Minister's image is clean. The people are aware of his concern for the country. He was speaking in Shakespearean style I have also read Shakespear and he was speaking in the same tone and style. If the Prime Minister was so honest then he would have allowed it continue because there was no fault with Jogendra Singh as the chargesheet was filed during his tenure. The Prime Minister has appointed Mr. Sharma as the new CBI director during his tenure. As soon as Mr. Sharma assumed the office, he issued a statement that he would not touch the politicians and would not overstep his jurisdiction. What was the intention, thinking and belief behind it? The Prime Minister has said many such things. It is very unfortunate that the Prime Minister who represents a population of 90 crores has to say that he is helpless and he can't do anything. If the chief Minister of Bihar declares today, in the night that Bihar is not a part of this republic then in that event also the Prime Minister would express his helplessness in the same way? The Home Minister is sitting beside him. In a cabinet meeting the Home Minister says that he not would not impose Article 356. Daily intelligence information is being received in this regard. United Front, the Government consisting of 14 parties is sitting here. Everyone is speaking against it but no one dared to contradiction them Somnath Ji has delivered a long speech wherein he has made a request. Today, he situation in the country such a pass that the guardians of democracy in the country have to make request before the thieves-looters and killers as if every thing is lost and then they talk about running the country.

This is a scam involving only Rs. 950 crores; In addition to this there is Alkatra scam involving Rs. 450 crores and there is drugs scam Rs. 300 crores, education scam involving Rs. 350 crores etc. I do not understand as to from where to start and where to finish. Are we visualising such Bihar? From the last year, whenever any issue about development has come up, the house the question of Bihar also crops-up, and the backwardness and paucity of funds in Bihar is discussed here. The Prime Minister is not present in the House. The High Court has also said this and, the Prime Minister should reply:

[English]

The Government, the CBI, is adopting a discriminatory approach.

[Translation]

What is this? One hon. member, one hon. MLA, and at present three MLCs of Bihar Assembly are in jail and the other person, facing the same charges, is ruling the state.

AN HON'BLE MEMBER: To which party he belongs to?

SHRI RAJIV PRATAP RUDY: There is no need to worry about myself and all of us. But our concern is the protection of the Constitution. I will not reply to your question ...*(Interruptions)*

SHRI RAM KRIPAL YADAV: What Advaniji had said about CBI ...*(Interruptions)*

MR. DEPUTY SPEAKER: Mr Yadav, there is no need to comment on everything. He will reply from your side.

SHRI RAM KRIPAL YADAV: When I speak, these people should not pass any comments ...*(Interruptions)*

MR. DEPUTY SPEAKER: Now, you please sit down.

SHRI RAJIV PRATAP RUDY: During the United Front's meeting held under common Minimum Programme, in which the Chief Minister of all the States have participated the Prime Minister has clearly stated as to when article 356 will be used. Article 356 will be used when the terrorism increase and when there is a threat to the secularism. Today, The President of India was taking Oath. Somnathji has also read it and I also thought that I will speak about it. I would like to quote what he has said:

[English]

He quoted what Gandhiji had said just before Independence. He said "To promote corruption is criminal." Can we apply that to the Prime Minister of India? He is protecting a person who is heading a State and who has been accused of total corruption. Can he not say that what Gandhiji had thought then is what he meant today that protecting a person by keeping him away is criminal? That is my question.

[Translation]

Yesterday in his address the Prime Minister had mentioned that Vajpayeeji had done a wrong thing by discussing about the Governor. I would like to draw your attention towards this subject. Under article 159 of the constitution, the Governor takes oath as the guardian of the Constitution and under article 164, the council of Ministers discharge its functions at the pleasure of the Governor. When the Governor was to grant permission for filing chargesheet, then he has been busy in reading the related documents for thirty days. He asked to file the charge sheet only when he was satisfied. Did his pleasure



[Shri Rajiv Pratap Rudy]

had come to an end at that time. Whether it was not the responsibility of the Governor to see the rationale behind continuing of council of when he ministers in such a situation when he was found liable to be chargesheeted? This matter should be discussed in the House but the Prime Minister says that there is no justification for doing so and the leader of opposition should not have discussed the conduct of the Governor in this House. Today such a situation is prevailing in Bihar. Today warrants have been issued and the Union Government is listening to everything from here. During discussions we have repeatedly asked to arrest the chief Minister of Bihar. While he is assuming his office. This is the situation and Somnath ji says that they will not interfere with the constitution in any manner. In Bihar, D.G.P. has been given extension thrice during the last nine months and the chief Minister repeatedly summons tells the D.G.P. that he would be surprised to know that he was giving him (D.G.P.) three months extension with the condition would he open fire when the central force enters his house. Then the D.G.P. replies that he was ready for that but let he given extension for three months. He says that if the central armed force would enter, then he would blow them with the help of Bihar State force: Is the Prime Minister waiting for such a time to come? The Home Minister may have forgotten that when BMP-I Gorkha Jawan of Bihar can fire bullets on the JNU students in Bihar Bhawan illegally, here in Delhi just six kilometers away from them, then what can be said about Bihar which is one thousand Kilometers away from Delhi and More over the D.G.P. who is being given extension for three months on peace measures is very much there for the protection of the Chief Minister.

His arrest is imminent and his troops are all prepared. This is your system, your approach and your control. Bihar is the nerve centre of entire India and it is being debilitated. Bihar connects the whole of India and is the main part of the country. Efforts are being made to block it and disrupt its life line. If they succeed, it will disintegrate from India and those who have common minimum programme of disintegration will be held responsible for it.

The Union Home Minister is present here in the House and the Railway Minister is sitting beside him. He had once mentioned in this House that as many as 17 rounds were fired but nothing happened to him. A bomb was hurled on him but again he returned safely. You have perhaps forgotten that how worried he was looking that day. Today if Union Minister goes to Bihar, he gives instruction to the R.P.F. to provide security to him. The Director General of Police of Bihar says that Shri Ram Vilas ji is coming and asks the Chief Minister as to what should he do. "Deploy additional troops and let us declare the war we shall see", he is told. He had said as to how the bullet was fired. How does it happen in Bihar? The Minister, the guardian of the constitution, is present here and the alleged three Ministers of the Rashtriya Janata Dal are present here. Had the Chief Minister of Bihar and his representatives had the knowledge of the constitution, one Minister of the Government of India would not have shouted slogans outside the Lok Sabha

premises. It was reported in the newspapers yesterday and a day before that a Union Minister of Bihar in this Government was shouting slogans on the roads. These people would protect the constitution and this Government is the mute spectator of all this and is contemplating as to how the constitution should be protected in Bihar. The members of the United Front have to ponder over as to what were their declarations and how are they running the country.

Sir, Shri Somnathji is not present here, he got fed up by making requests. I know that the Prime Minister has also got some difficulties. I can recall of that day too. I know that then the Members and Ministers were in the queue in Bihar Bhavan for Rajya Sabha and their respective membership. All know it, the masses of Bihar too, know and I also know. They all were crying as one feels sorry when a child of a family goes astray. They have said publicly that their son has gone wayward then let him go to jail perhaps your as well his future depends on that. But why are you stopping him and feeling scared. The United Front leaders are scared that they have to contest elections. The U.F. cannot fight elections without him. This also haunts them. There have been speeches from all sides and which go on like that.

Sir, I would like to put forth some more points before you. The Congress people are sitting beside us. They are all friends of ours. They, at times, extend their support to us on some issues. I know when the Government was formed, they were to sit here but they slowly moved to that place but they stuck in between on 30th March. Nobody knows as to what were the reasons. The whole country was shaken and the Government was toppled. But why Shri Deve Gowda ji is not here. All were crying. He had no scam to his credit in his state nor did he create any constitutional crisis. Some people were facing difficulty and the Chief Minister of Bihar was also party to his exit. His only fault was that he asked the C.B.I. Chief to act honestly. He was dethroned. Today our Congress friends sitting beside us, demand the resignation of the Chief Minister of Bihar. Today it is the issue of national interests, give him the ultimatum to replace Shri Laloo by the evening otherwise we shall withdraw the support to your Government. This causes a great concern. You once throw up the challenge on any count that would enhance your image. You will sit here, and we will sit there and the rest will be lost in between.

Sir, the Government sought the vote of confidence in Bihar. The Congress people are sitting here. You should also be worried as this is a very large party. I would like to tell before the House that 20 out of 29 Congress members were prepared to support B.J.P. and Samata Party in the House.

19 other parties were ready to go along with Janata Dal and their future was safe but they ran away. The whip of the House said that they will remain outside. This is the position of Congress in Bihar and today you are making them an issue. Where is their existence? Previously there

were several Jharkhandi Members in the House but this time only one Could manage to come to this House and he too, has been in Jail for about a year. Again these poor people have been made prey to these people. This time they have given them something and then they have sent to the jail also. I am much concerned for them. They are nice people, honest people. They are committed to the nation and fight for the country. But these people together take advantage of their innocence and send them to Jail again and again. I am saying all this because it should be brought into the notice of public by and large as to how the vote of confidence was won these and what transpired between them. They were promised to give them a helicopter as they have never seen a helicopter. They were made to understand that they will be given a fullfledged state but cleverly a clause was attached with that it will comprise parts of Orissa, Madhya Pradesh and West Bengal. This way, they were lured to give a Jharkhand state to them and made the Chief Minister. This was only in the air ...*(Interruptions)*

AN HON'BLE MEMBER: He is taking more time.

MR. DEPUTY SPEAKER: He is taking the time allotted to his party. You please sit down silently. Please take your seat ...*(Interruptions)*

SHRI RAJIV PRATAP RUDY: Sir, Shri Tariq Anwar is not present here at the moment. He made a very good speech here. He repeatedly said that we should be honest and Shun dishonestly. He has been the party state President and at present, he is the all India President of the minority cell of the party. He left saying it but I would urge upon him to give them a chance to solve their issues on their own. U.F. steering Committee meeting is slated to be held today. They all would sit together and fix a date but the same person would give a contrary statement in South and someone will make a just opposite statement in north. What a ridiculous situation this? Our Janata Dal thinkers are sitting here and when they speak in the House, they create ripples.

At present hon'ble Sharad Yadavji is perhaps engrossed in some other thought. He is looking worried. I am also worried about those ministers belonging to the RJD who might be thinking that they would have continued here had their leader resigned earlier ...*(Interruptions)*

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI RAGHUVANSH PRASAD SINGH): My point....

*[English]*

MR. DEPUTY SPEAKER: Under what rule?

*[Translation]*

SHRI RAGHUVANSH PRASAD SINGH: I am telling the rule only. Under the rule it is clear that no hon'ble member will use irrelevant words and will not blame any party and if some minister is sitting in the House, the Minister will not be pestered unnecessarily. It is announce rule, and the accepted convention.

MR. DEPUTY SPEAKER: You please sit down. Under which rule you are speaking.

SHRI RAM KRIPAL YADAV: When there is a digression, one has to interfere. This is tradition.

SHRI RAGHUVANSH PRASAD SINGH: Mr. Deputy Speaker, Sir, those who are aware of the proceedings of the House for last one week, know what the subject matter is. They should not talk like that.

*[English]*

MR. DEPUTY SPEAKER: There is no point of order. Shri Rudy, you carry on.

*[Translation]*

SHRI RAGHUVANSH PRASAD SINGH: Mr. Deputy Speaker, Sir, it should not be that the member start speaking whatever comes to his mind. You are in the Cabinet you please sit down.

SHRI RAM KRIPAL YADAV: Here a digression is being made. Then why should we keep quiet? ...*(Interruptions)*

MR. DEUTY SPEAKER; You please sit down.

*[English]*

I have not allowed you. Please take you seat.

*[Translation]*

SHRI RAM KRIPAL YADAV: Why should we sit?

MR. DEPUTY SPEAKER: Now, sit down please. Sit down now.

SHRI RAM KRIPAL YADAV: Why sit down Sir, you expel us.

*[English]*

MR. DEPUTY SPEAKER: Do not compel me.

*[Translation]*

SHRI RAM KRIPAL YADAV: You expel us from the House.

*[English]*

MR. DEPUTY SPEAKER: You will have to take your seat. This is not proper on your part.

*[Translation]*

SHRI RAM KRIPAL YADAV: You first expel us from here ...*(Interruptions)*

*[English]*

MR. DEPUTY SPEAKER: Shri Ram Kripal Yadav, do not exceed the limit.

*(Interruptions)*

[Translation]

MR. DEPUTY SPEAKER: Mr. Jena, who is the leader of his party?

(Interruptions)

[English]

MR. DEPUTY SPEAKER: Will you please sit down now?

(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: You please sit down. You have made your point.

(Interruptions)

[English]

MR. DEPUTY SPEAKER: Do not exceed the limit. Please sit down.

(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: I have already heard you. Now you are quoting rule. You have already made your point.

SHRI RAGHUVANS PRASAD SINGH: I want to say something from rules ...(Interruptions)

[English]

MR. DEPUTY SPEAKER: You have already spoken and I have ruled it out.

(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: You have already spoken. Now you are reading out the rules.

SHRI RAGHUVANS PRASAD SINGH: I do not want to challenge the Chair. I have also a right to quote the rule ...(Interruptions)

MR. DEPUTY SPEAKER: When I asked, you didn't say.

(Interruptions)

MR. DEPUTY SPEAKER: Now you sit down.

(Interruptions)

[English]

MR. DEPUTY SPEAKER: I have already ruled it out.

(Interruption)

[Translation]

MR. DEPUTY SPEAKER: I again request you to sit down.

(Interruptions)

MR. DEPUTY SPEAKER: Mr. Rudy, now you please conclude.

SHRI RAJIV PRATAP RUDY: Sir, I am just concluding. I know that my words are hurting them. My concern is with the entire House. We are going to enter the Fiftieth year of Independence, I know what are the difficulties with Bihar. I also come from Bihar. Lord Budha was born there. He attained 'Nirvan' there Mahavira attained wisdom there Guru Gobind Singh ji started sikh religion from there but not even a single Bihari embraced 'Budhism', not a single Bihari become a 'Mahavira', and not even single Bihari has adopted 'Sikhism; there where lord has taken birth what will be the effect of Prime Minister's appeal there? When Lord did not have any mercy on us, how that State would be run by the mercy of a Prime Minister and a Home Minister? I cannot understand this ...(Interruptions)

Mr. Deputy Speaker, Sir, due to interruptions, I, got derailed from the subject. I am concerned today. Today, we are going to enter the Fiftieth year of independence. For the safety and respect of Bihar I am ready to contribute my best for Bihar. Today not in the whole of India but in the entire world. Bihar has become a laughing stock. This is the place the history of which is known to the entire world and this is the place where democracy was started, I feel hurt by all these events when we travel by train and roam on roads we find people pointing their fingers towards Bihar. Today for the present condition of Bihar only this Government is not responsible. People are being killed there terrorist activities are increasing there and arms are entering there. The Government have no funds there. I am worried about the situation prevailing there. The development of the country cannot be imagined by keeping Bihar aside. We will have to take Bihar along with us. We will have to take out Bihar from the present situation. I request people, the Ministers and all the Members sitting here that you have requested this gentleman to resign. Shri Inderjit Gupta once at Indore and again in Delhi gave him hints to resign but he did not resign. At the time of taking decision special talks on Article 356 are made. They say that they would not cross the limit. Today the situation has come to such pass which necessitates to write the Constitution afresh. When the C.B.I. personnel go to arrest the Chief Minister of Bihar the time has come to rewrite the Constitution. His arrest and dismissal should be made forthwith without delay.

SHRI SYED MASUDAL HOSSAIN (MURSHIDABAD): Mr. Deputy Speaker Sir, the Chief Minister has presented a gold watch to each of the M.L.A's of Bihar.

MR. DEPUTY SPEAKER: I called Shri Pinaki Misra and not you.

SHRI SYED MASUDAL HOSSAIN: Mr. Deputy Speaker Sir, he is also one of the M.L.As who has received. Therefore he should resign.

MR. DEPUTY SPEAKER: Please take your seat.

15.00 hrs.

[English]

SHRI PINAKI MISRA (PURI): Mr. Deputy-Speaker, Sir, I rise to oppose the Motion moved by the hon. Leader of the Opposition. My Party's point of view has already been articulated by my senior colleague, Shri Tariq Anwar.

It is quite clear in this House that the Congress Party does not hold a brief for any person in Bihar. The Congress Party does not hold a brief for the unnamed chief culprit in this entire issue—the Chief Minister, Mr. Laloo Prasad Yadav. The Congress Party's stand-point has already been articulated by the Congress President at the Working Committee or rather the Steering Committee and now it has been articulated in this House by my hon. colleague, Shri Tariq Anwar. The Congress Party's position is clear that things have gone too far in Bihar and that the time is appropriate and ripe that the Chief Minister ought to resign.

That being the issue, Mr. Deputy-Speaker, Sir, the issues raised by the hon. Leader of the Opposition have very seminal substance, and that is something that I think we have to deal with in this House. Those issues are particularly categorised into two aspects—the legal and the constitutional aspect and the moral aspect, which deals with problem in public life.

Mr. Deputy-Speaker, we always allege that the BJP, as a Party, is guilty of double-speak very often; the BJP, as a Party, is guilty of double standards very often. They have one set of teeth which they show to the electorate, and deep down they have another set of teeth which they actually use to clamp down and organise the basic rationale functions of their existence and their polity. But we have always excupated the Leader of the Opposition, Shri Vajpayee, from this charge. I think, by and large, nobody has raised that charge against him. Personally, everybody has said that he is a statesman par excellence, who stands head and shoulders above a lot of his contemporaries in public life today. That is why, Mr. Deputy-Speaker, Sir, I was astonished at the propositions that were canvassed by the hon. Leader of the Opposition yesterday.

I understand that he was forced to bring an Adjournment Motion on this issue by the dictates of both politics as well as the inner party dictates of his Party. Without commenting on the merits of it, I would say that he was uncomfortable with the Adjournment Motion, which is now being converted into a Motion under Rule 184. It has rightly been done and as Shri Chatterjee pointed out yesterday, at the outset, it was impossible on his part to canvass for the proposition that the Central Government was enjoined to do something which they did not do and, therefore, the Adjournment Motion lies in this House. It is a grey area,

but it was allowed by the hon. Speaker. So, we should not comment on that. However, in order to disguise one wrong or error which he committed by bringing the Adjournment Motion, he tried to compound the error by canvassing a couple of further erroneous propositions which were startling and which, if it had not come from the hon. Leader of the Opposition, we think would be sinister actually.

He said, firstly, that Article 356 ought to have been invoked to dismiss a Government which only a couple of days back or a week back or ten days back has secured a comfortable majority in the Assembly in Bihar. That was his first proposition. The second proposition was that if the hon. Governor was not coming forward with a report stating that there was a break down of law order in the State, then it was incumbent upon the Central Government to demand from the Governor a report to that effect. Both these propositions, with great respect, are completely violative of the basic canons of the Constitution and are completely violative of the basic tenets which go in the formulation of Article 356 as well as its application.

As has been seen over the past fifty years, these issues were raised and discussed often in this House. In fact, what pains me most is that when we were sitting in the Congress benches, when we were sitting in the Treasury Benches, we heard down the years, the Leader of the Opposition and the other leaders of other parties pillorify the Congress and vilifying the Congress for the abuse Article 356. Yet, when the shoe was on the other foot, be it in 1997 when 16 State Governments were dismissed by an opposition Government when it was in power—all the validly elected Governments were dismissed at one stroke—be it 1989, be it 1996, the kind of application of Article 356 by the non-Congress Governments was more in number than what we have seen over the past fifty years when we were in power. I say this with some degree of responsibility that the shoe really pinches when it is on the other foot for these gentlemen.

Has Shri Vajpayee forgotten what happened a year back in Gujarat? What they said at that time was that a Government there got a vote of confidence allegedly. They did not let this House run for almost a week on that count. The Governor sent a report saying that there had been a breakdown of law and order. The Government was dismissed on that count. Have you forgotten the hue and cry you made on that score for the abuse of Article 356? How does it lie in the mouth of the BJP today to canvass this proposition in this House saying that there can be an abuse, there can be a use, there can be a change of circumstances and there can be distinctions drawn in the application of Article 356. This is a matter which is, in terms of black and white, within the purview of the Central Government. You cannot ask for a report from the Governor. You cannot procure a report from the Governor. Therefore, with all respect, I think the Leader of the Opposition was in great error in canvassing both these propositions yesterday: number one, that a Government which has got a valid majority a week or ten days' back should be dismissed invoking Article 356. He says that it is enjoined upon the

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Central Government to do so. Secondly, if the report is not forthcoming from the Governor, he says that is further incumbent and enjoined upon the Central Government that it must demand a report from the State Governor. From a purely constitutional and legal point of view, we are in complete disagreement with these propositions because they will have very sinister portents for the future.

Sir, I would then like to raise the issue of moral aspect. What is the moral aspect? There is an aspect of probity in public life. There is no question about one thing. Here, I will not take the name of the person concerned. But today the Bihar Chief Minister is probably the most reviled person as far as the media is concerned, as far a large section of politics is concerned. I think he has to blame only himself in all fairness for this. I think he has displayed, over the past several years, insufferable arrogance in his public dealings, in his dealings with his contemporaries and his own peers. We have seen the kind of arrogance he has displayed. I think that is the reason why he is left with very little sympathy today.

We remember, for instance, just a couple of months back the Cabinet expansion took place. The Cabinet was singularly shorn of talent. There were a couple of Ministers at least who were outstandingly honest and who were regarded as honest. But the Bihar Chief Minister apparently decided that he did not like their faces and they were asked to be withdrawn. Shri Yadav is here. I do not want to name him. There is no need. Everybody knows the facts. This is the code of conduct that he has displayed over the past several years. The bureaucrats have come and told us how, when he is sitting in his saloon, he will place only one chair for himself and another chair will be placed about 30-40 feet away. Therefore, whoever comes, whether it is the Chief Secretary or whether it is the DG, Police, one must stand in his presence and take orders standing in his presence. This is a kind of a thing that the medieval monarchs used to do. It is probably wrong on his part to have done this. That is the reason why today he has such little sympathy here.

We watched with great amusement yesterday the interplay between Shri Nitish Kumar and the hon. Prime Minister, one saying: "He was your patron, he was your friend" and the other saying: "I do not need him. You need him." A large section of this House, at some point of time or the other has taken help from the Bihar Chief Minister. That is quite clear. I am not looking at any personality on that count. But when they have found their political constituency place is uncomfortable, they have gone back to Bihar in order to be accommodated in Bihar that is probably one of the reasons why the Chief Minister today is an angry man. ...*(Interruptions)*

[English]

SHRI RAJESH RANJAN 'ALIAS' PAPPU YADAV: He said that some people received money from the Chief Minister. How can be implicate all in the case ...*(Interruptions)*

SHRI PINAKI MISHRA: I am not talking about all the persons. I am talking about a number of persons. Therefore the hon. Chief Minister is little bit angry.

MR. DEPUTY SPEAKER: Yadav ji, please take your seat.

*(Interruptions)*

[English]

SHRI PINAKI MISRA: That is really beside the point in this whole thing because there is a legal and a constitutional aspect whether he is a bully or whether his arrogance is insufferable or whether he has treated his contemporaries in a very shabby manner. That is really neither here nor there. That is no reason. You do not like his face, you do not like the way he articulates in public. It does not mean that you can dismiss him under Article 356.

The other issue is that he should resign is an unexceptional proposition. The Congress Party's stand is clear. But there are a few fundamental issues which ought to be raised about the manner in which the entire issue has come about. That is something that we, on behalf of the Congress, feel that it is necessary to articulate in this hon. House for the simple reason that a lot of these issues are articulated outside in whisper, in private conversations. But within the House, it is found that people are not making it bold to come and state these issues.

Now what are these issues? These issues are, as the hon. Leader of the Opposition said, unexceptionable propositions that whoever is charge-sheeted must resign. It is a proposition over which I personally have a little reservation. I think, Shri Madan Lal Khurana was here in this House in the Ninth Lok Sabha. He is no longer here today. If he had heard his hon. Leader speak yesterday on this issue, he would have had serious reservations on this issue. Two years back, this gentleman was charge-sheeted in a matter. Two years back, he tendered his resignation as the Chief Minister. Today he is acquitted. He has not got his Chief Ministership back. I mean, it is probably a major bone of contention in the BJP today. They have a major problem on their hand. They have a State Government here in Delhi which is probably likely to go the Gujarat way on that count. What was his fault? The difficulty today with the proposition of this nature is that in earlier times, charge-sheets never feel like nine pins in a court. Today charge-sheets are brought to court, they fall like nine pins. Charge-sheets are brought in a manner with which we have strong reservations. In this particular case involving the Bihar Chief Minister, an office is opened on a Sunday and the Director holds court. The Director calls the entire media and says, "I am going to charge-see the Chief Minister." Today we read after the Director is removed, has been half a dozen responsible journals have carried a news item over the past week that this was contemplated twice by the hon. Director in the last one year. Every time the Director was to be removed from his post, he had chosen to take a political course.

This House remembers that eight months back, we, from the Congress Party took serious reservation to the manner in which he raised the Bofors issue suddenly. He went flying to Geneva. Suddenly he was on camera, he was visible to the whole world with a box of documents. He comes back into town. What do we find from those documents? Those documents are first leaked to the press. Those documents first find their way to the press and the hon. Speaker had to censure the CBI on that count saying that if those documents are not for the eyes of the Members of Parliament, how can they be for the eyes of the press. I do not understand how the Directors responsible for functioning in a serious investigation capacity suddenly start acting like film stars in this country. They are on television everyday. Their private lives are being dissected what is their favourite cuisine, what is their favourite restaurant. Today we realise that for the past one year he had been functioning as the Director, he had been actually diarising everything for a book which he wants to sell for a million dollar. Is this the way that the CBI should have conducted itself over the past one year? You shed tears on that. These are the issues which we have to decide cutting across party-lines because if you live by sword, you must perish by it. Today it affects one person, tomorrow it will affect a different section of polity. Therefore, I am not on a personal issue, I am not on a party issue. I am on an issue which is of fundamental seminal importance. And the sanctity of charge-sheet today, therefore, in my opinion, has been diluted. The sanctity of a charge-sheet is no longer what it was earlier. Today in case after case—in the Hawala case or in the St. Kitts case—you find all the hullabaloo that has been raised over the last one year about our leader Shri Narasimha Rao. Today he stands acquitted in two cases. Does anybody seriously believe that Shri Narasimha Rao could have cheated a non-resident Indian of 100,000 dollars? Does anybody seriously believe in this country about it? Is this a serious proposition that anybody is going to canvass that the CBI has brought a charge-sheet against him on that? The CBI has brought a charge-sheet saying that he has fabricated some papers. Shri V.P. Singh did not believe he fabricated papers but the CBI today really seems to believe that he fabricated the papers, forged the papers. These are not the issues which can be dealt with so easily.

Therefore, these are the issues on which the House must deliberate upon. Shri Chandra Shekhar has time and again, I think, drawn the attention of the House on this issue. Today Shri Chatterjee has also finally said and drawn some wisdom has dawned upon him. I mean, I say this with a sense of humour because I think, now his Government in Bengal is facing the similar problems today. The Ledger Scam in Bengal is now coming up. There is a wide body of opinion which feels that the matter must now go to the CBI. Suddenly, we find pearls of wisdom now falling from Shri Somnath Chatterjee. Today he has diluted his previous stand which he had taken earlier that "you must go, you must resign. Everything is over." Today he says: "No, no. We must now all sit down coolly, deliberate. All heads should be put together to find out the

solution." Of course, he is right but this is something which we have been saying for a long time ...*(Interruptions)*

My learned friend mentioned about Shri Antulay's case, for example. He resigns. The man spends 16 years in wilderness. Yes, he spends 16 years in wilderness. He was finally exonerated by the highest court. Who will give him back those 16 years in public life? Is somebody going to give him back those 16 years in public life today? Somebody must do it ...*(Interruptions)*

*[Translation]*

SHRI BRAHAMANAND MANDAL (MONGHYR): Why do you think only about the politicians. There are a number of other persons who have suffered on this account. Please think about them also.

SHRI PINAKI MISRA: I will tell you why I think about the politicians only.

*[English]*

SHRI SAT MAHAJAN (KANGRA): Mr. Deputy-Speaker, Sir, why is he disturbing our Member?

SHRI PINAKI MISRA: I will tell my learned friend why I am so concerned about politicians. It is because we have chosen a particular line. We have chosen in this country to follow the Westminster system of democracy. It is all right. We have to say without exception, Mr. Deputy-Speaker, that all sections of the House must raise their voice as far as corruption is concerned. But let us not have what the *Financial Times* in London has said about India as 'surfeit of ethics'. It says: "India now is suffering from surfeit of ethics suddenly." So, everywhere everyone is calling out 'I have caught you, I have caught you'. This is not unique in this country.

In Britain, during the recent elections the Conservative Government have been voted out on an issue of corruption. In America there has been a re-election. The President is mired in the centre of corruption, scandal of the worst type, worse than here. In Japan, in South Korea you have got the ex-Prime Ministers who have gone to jails for corruption. It is not as if it is unique to India and that is something that should be blown out of proportion. My colleague is right when he says that politicians should not be singled out. Is there an alternative to the system? That is why I ask this. The other countries have chosen an alternative path. Take for example, Zaire. They have chosen an alternative path. Pakistan, for example. Have they done any better? President Mobutu came to Zaire on the plank of corruption. The elected president was removed and assassinated. In 35 years, he finished Zaire. In ten years, in our neighbouring country Pakistan, we have realised what their military leaders did here. The reason why I am saying all this is, if you damn a complete class of people and an entire polity, then you are in difficulty because you have no other alternative system to fall back upon.

Therefore, it is necessary as Shri Somnath Chatterjee today with the voice of sanity said, "Instead of scoring

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debating point—it is an issue which is endemic, not just to India but to rest of the world—we have really to introspect on this issue and join our heads together and ensure that there is a national consensus, and how to do away with this.” I say with great respect that the path of democracy which we have chosen today in the correct path and no Member in this House is going to deny this. No Member of this House is going to take exception to what I am saying.

Today we have elections right from the grassroots level, from the Panchayat level to the nominee level, to the Zila Parishad level. What happens there? Ultimately, when you have elections, at every level every election costs money. Therefore, once you are a Zila Parishad Member, once you are a Panchayat Member, once you are a nominee Member, you contest elections and you spend money. They have to recover that money. That is the hard fact of life. Can any MP say ‘no’ cutting across party line? I am a first time MP. Over the past one year, I have had a surfeit of election on my head. First, we had the Panchayat election, then we had the nominee election, then we had the election of chairman for those posts, then we had zila Parishad election and then we had the chairman’s election for Zila Parishads. And, now we are having a municipal election and then election of chairman for municipalities. It is extraordinary. Over the past one year, every month and a half, there have been elections ...*(Interruptions)*

[Translations]

SHRI RADHA MOHAN SINGH (MOTIHARI): Mr. Deputy Speaker, Sir is he discussing the Motion moved here?

MR. DEPUTY SPEAKER: Please take your seat.

[English]

Let him complete.

*(Interruptions)*

SHRI A.C. JOS (IDUKKI): Let him speak, Sir.

SHRI PINAKI MISHRA: Mr. Deputy-Speaker, Sir, the hon. Leader of the Opposition will remember it because he has had such a vast experience in foreign affairs.

In the 1950s, in the United States, there was what is called ‘McCarthyism’; J. Edgar Hoover was the head of the FBI and there was virtually a parallel Government running within the Government in the United States. For a period of almost fifteen to twenty years, there was a Government within a Government to the effect that there were ultimately allegations that he was involved, i.e., Edgar Hoover himself was involved in the assassination of President Kennedy, something which has never been negated so far.

Therefore, there is a possibility of organisations like this becoming a Government within a Government and that is something that must not be allowed to happen. That is something that the executive—as all sections of this House have said—must take pains to ensure that it does not happen.

There is a proposition here, which I wish to canvass. There is a fundamental principle of criminal jurisprudence that once an investigation is over and charge-sheet is filed, bail is a matter of right. It should be bail, not jail. I suddenly find sections of this House which say that the Bihar CM should not be given bail. I find, the CBI canvassing a proposition in Court today, after they have filed the charge-sheet, saying that they need him for custodial interrogation. I find this entire proposition untenable. It is not in consonance with the first principle of criminal jurisprudence. They should have taken him into custody earlier. They have not taken him into custody so far and now they have filed a charge-sheet. I do not understand how the CBI can oppose his bail. But this is something none of us are willing to address ourselves to. ...*(Interruptions)* There is no doubt about it. I had said at the outset that he must go. There is no doubt about it. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Shri Pinaki Mishra, you please address the Chair.

SHRI PINAKI MISHRA: Mr. Deputy-Speaker, Sir, the last point which I wish to make out here is this. The Prime Minister’s entire role in this issue has been somewhat regrettable. I say so in his absence and I say so with a great deal of regret. The Centre Government is now reduced to look like a caricature. One of the cartoons which illustrates it, I think, amply was in one of the national newspapers. It shows the Prime Minister talking to journalists. The Prime Minister says, ‘The white haired man, who has his spectacles around his neck and who carries a stick must resign’ and a journalist says, ‘He is now being very, very specific’. I must say that if he has a point of view on this issue, it should have been articulated firmly and unequivocally. There was no point in the Prime Minister diluting the entire issue and prevaricating on this issue for so long because ten to twenty MPs are not going to make any difference. As long as the huge block of Congress MPs and the Congress Party are solidly behind the Prime Minister, I do not understand why he is in trouble at all on this score.

The propositions that he has canvassed on this issue yesterday are unexceptionable. I think, they are correct propositions. He has rightly said, ‘On Article 356, this is the Government’s standpoint and I think, we have taken the stand correctly, in my opinion’ and on the other issue of procuring the Governor’s opinion, he says, ‘it is not something which should be done’. But, according to me, the United Front and the Prime Minister have not come out creditably with this entire episode because they could have conducted themselves with a far greater degree of unequivocalness rather than what they have done.

With these words, having opposed the Motion moved by the hon. The Leader of the Opposition, I thank you for the opportunity given to me.



15.24 hrs.

**PERSONAL EXPLANATION BY MEMBER***[Translation]*

SHRI BANWARI LAL PUROHIT (NAGPUR): Mr. Deputy Speaker Sir, I have a personal explanation in this regard.

Mr. Deputy Speaker Sir, in my absence, hon. Member Shri Tariq Anwar said that Banwari Lal Purohit had levelled charges of corruption on Shri Gopi Nath Munde. It is totally wrong ...*(Interruptions)*\* I have not levelled any charge.

MR. DEPUTY SPEAKER: The word 'MITHYA' is all right. Do not use the other word. It will not go on record.

*(Interruptions)\***[English]*

MR. DEPUTY SPEAKER: I have called Shri Rajesh Ranjan. Please allow him to speak.

*(Interruptions)*

15.25 hrs.

**Motion Re: Serious Situation Arising out of the Recent Development in Bihar.***[Translation]*

SHRI RAJESH RANJAN 'ALIAS' PAPPU YADAV: Mr. Deputy Speaker Sir, the entire country and the House is looking towards Bihar for the last two days. We have completed 50 years of freedom and Bihar is going 50 years back from freedom. The judiciary, the legislative and the executive are in a state of unprecedented clash. First of all, I shall talk about the executive. All the Ministers, Cabinet Ministers and M.L.A.'s of Bihar with lathis and spears in their hands were raising slogans in front of the residence of the Governor. They were scolding the hon. Prime Minister of their own party in the presence of the Collector and the SSP of the Government of Bihar with swords in their hands. Till then Rashtriya Janta Dal was not formed. Janta Dal was united. It is for the first time in the history of the Country that a Minister was scolding the hon. Prime Minister of his own party and the Ministers demonstrating in front of the Governor house holding swords and spears in their hands. The entire group was standing before the judiciary under the banner of Laloo and India and giving threats of suicide and hanging. ...*(Interruptions)* The women holding swords in their hands were marching on the roads. Now why the women were going with swords?

SHRI RAM KRIPAL YADAV: The woman is the queen of Jhansi.

SHRI RAJESH RANJAN 'ALIAS' PAPPU YADAV: It is

good to be the queen of Jhansi. Shrimati Kanti Singh, it will be good if you become so, but why the women in Patna were marching holding swords in their hands? Shri U.N. Biswas would be slain? The joint director would be slain? The effigy of the Officer who was handling the case from the beginning till the end was burnt in front of the CBI officer. Now let us have a look at the judiciary and the legislative. The situation is that the executive is bound to abide by the legislature. The executive is not ready to abide by the instructions of the judiciary. There, the D.G., the Collector and the S.S.P. are not ready to listen to anyone except the Chief Minister. The executive does not accept what the judiciary says. The Lai Sena committed the Muresa episode in the Legislative Assembly. When the press demanded a statement from Speaker of the Legislative Assembly, in this regard and enquired about the kind of force that was pressed into service in the Assembly, the Speaker said that it was his jurisdiction to use the force of his choice. The Press was advised not to talk about it. He said that he would use the services of the force which provided them the security whose force was that? That force belongs to an hon. Member of the Legislative Council who is the brother-in-law of the Chief Minister ...*(Interruptions)\** The photograph has also appeared in the electronic media ...*(Interruptions)*

MR. DEPUTY SPEAKER: I am talking about you only ...*(Interruptions)*

MR. DEPUTY SPEAKER: Expunge this name from the record.

SHRI RAJESH RANJAN 'ALIAS' PAPPU YADAV: I am not levelling allegations against anyone. Whatever he said in the electronic media, I am mentioning here ...*(Interruptions)* I am not mentioning anyone's name. I was saying that the Red Brigade was being led by the brother-in-law of Shri Laloo Yadav, who was not a Member of that House but of the Legislative Council. Now who is leading the Legislative? ...*(Interruptions)*

The judiciary was being led by the Laloo and India and the executive was being led by all the Ministers with swords and spears in their hands ...*(Interruptions)*

MR. DEPUTY SPEAKER: It is half past three now the private members business will start now. You may please continue on Monday...

*(interruptions)**[English]*

SHRI A.C. JOS: No purpose would be served by this discussion because the Chief Minister of Bihar has resigned. ...*(Interruptions)*

SHRI RAMESH CHENNITHALA (KOTTAYAM): Sir, the Chief Minister of Bihar has resigned and there is no need to discuss this. ...*(Interruptions)*



SHRI A.C. JOS: I request Shri Valpayee to withdraw this motion. ...*(Interruptions)*

SHRI RAMESH CHENNITHALA: Sir, there is no need to discuss this because the Chief Minister of Bihar has resigned. It was reported by the UNI.

MR. DEPUTY-SPEAKER: I am not concerned with what has happened.

*(Interruptions)*

*[Translation]*

MR. DEPUTY SPEAKER: Now the House will take up private member's business. Say something on it if you wish so.

*(Interruptions)*

SHRI RAJESH RANJAN 'ALIAS' PAPPU YADAV: When shall I speak?

MR. DEPUTY SPEAKER: You please speak on Monday.

*(Interruptions)*

15.32 hrs.

*[Translation]*

**Forest (Conservation) Amendment Bill\***  
(Amendment of Section 2)

SHRI MAHABIR LAL BISHWAKARMA (HAZARIBAGH): I beg to move for leave to introduce a Bill further to amend the Forest Conservation Act 1980.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Forest Conservation Act, 1980."

*The motion was adopted.*

*[Translation]*

SHRI MAHABIR LAL BISHWAKARMA (HAZARIBAGH): I introduce the Bill.

15.33 1/2 hrs.

*[Translation]*

**Constitution (Amendment) Bill\***  
(Amendment of Article 217)

SHRI MAHABIR LAL BISHWAKARMA (HAZARIBAGH): I beg to move for leave to introduce a bill further to amend

the constitution of India.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

*[Translation]*

SHRI MAHABIR LAL BISHWAKARMA: I introduce the Bill.

15.34 hrs.

*[English]*

**The Compulsory Sterilisation Bill\***

SHRI RAMESHWAR PATIDAR (KHARGONE): Sir, I beg to move for leave to introduce a Bill to provide for compulsory sterilisation for promoting small family norm and for matters connected therewith.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for compulsory sterilisation for promoting small family norm and for matters connected therewith."

*The motion was adopted.*

SHRI RAMESHWAR PATIDAR: I introduce the Bill.

15.34 1/2 hrs.

*[English]*

**Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill (Amendment of the Schedule)\***

SHRI SATYA PAL JAIN (CHANDIGARH): Sir, I beg to move for leave to introduce a Bill to amend Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to amend Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994."

*The motion was adopted.*

SHRI SATYA PAL JAIN: I introduce the Bill.

15.35 hrs.

*[English]***The Chilli Growers (Benefit) Bill\***

SHRI R. SAMBASHIVA RAO (GUNTUR): I beg to move for leave to introduce a Bill to provide for the protection and welfare of chilli growers.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the protection and welfare of chilli growers."

*The motion was adopted.*

SHRI R. SAMBASIVA RAO: I introduce the Bill.

15.35 1/2 hrs.

*[English]***The Tobacco Growers (Benefit) Bill\***

SHRI R. SAMBASIVA RAO (GUNTUR): I beg to move for leave to introduce a Bill to provide for the protection and welfare of tobacco growers.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the protection and welfare of tobacco growers."

*The motion was adopted.*

SHRI R. SAMBASIVA RAO: I introduce the Bill.

15.36 hrs.

*[English]***The Government of Union Territory of Lakshadweep Bill\***

SHRI BASU DEB ACHARIA (BANKURA): I beg to move for leave to introduce a Bill to provide for the creation of a Legislative Assembly for the Union Territory of Lakshadweep and for matters connected therewith or incidental thereto.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the creation of a Legislative Assembly for the Union Territory of Lakshadweep and for matters connected therewith or incidental thereto."

*The motion was adopted.*

SHRI BASU DEB ACHARIA: I introduce the Bill.

15.36 1/2 hrs.

*[English]***The State of Uttarakhand Bill\***

SHRI JAI PRAKASH AGARWAL (CHANDNI CHOWK-DELHI): I beg to move for leave to introduce a Bill to provide for the establishment of the State of Uttarkhand by reorganisation of the existing State of Uttar Pradesh.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide the establishment of the State of Uttarakhand by reorganisation of the existing State of Uttar Pradesh."

*The motion was adopted.*

SHRI JAI PRAKASH AGARWAL: I introduce\*\* the Bill.

15.37 hrs.

*[English]***State of Vidarbha Bill\***

SHRI BANWARI LAL PUROHIT (NAGPUR): I beg to move for leave to introduce a Bill to provide for the formation of the State of Vidarbha by reorganisation of the existing State of Maharashtra and for matters connected therewith.

MR. DEPUTY-SPEAKER: Motion moved:

"The leave be granted to introduce a Bill to provide for the formation of the State of Vidarbha by reorganisation of the existing State of Maharashtra and for matters connected therewith."

*[Translation]*

SHRI ANANT GUDHE (AMRAVATI): I rise to oppose this Bill under rule 72 ...*(Interruptions)*

AN HON'BLE MEMBER: We shall see when the Bill will be discussed.

MR. DEPUTY SPEAKER: On what grounds you are opposing this Bill at the state of introduction.

*(Interruptions)*

SHRI BANWARI LAL PUROHIT: Mr. Deputy Speaker, Sir, the business of the House is transacted according to rules and this private member's Constitution Amendment Bill for creation of Vidharbha State comes under the rule-68 which reads as follows:

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97

\*\*Introduced with the recommendation of the President.

\*Published in the Gazette of India Extra-Ordinary Part II-Section 2, dated 25-7-97

[English]

"The order of the President granting withholding the sanction or recommendation to the introduction or consideration of a Bill shall be communicated to the Secretary-General by the Minister concerned in writing."

[Translation]

The copy is with me and secondly the rule 348 will come along with it.

[English]

Rule 348 says:

"Every sanction or recommendation by the President shall be communicated to the Secretary-General by a Minister in the following terms:-

"The President having been informed of the subject matter of the proposed Bill, motion, demand for grant or amendment accords his previous sanction to the introduction of the Bill...." ...*(Interruptions)*

SHRI DATTA MEGHE (RAMTEK): He has brought the permission from the President and he has approved it audit also contains a notice.

MR. DEPUTY SPEAKER: He has told it.

SHRI BANWARI LAL PUROHIT: This notice has been sent as per the laid down rules and the President's permission has also reached. ...*(Interruptions)*

[English]

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the formation of the State of Vidarbha by reorganisation of the existing State of Maharashtra and for matters connected therewith."

*The motion was adopted.*

SHRI BANWARI LAL PUROHIT: I introduce\* the Bill.

[Translation]

SHRI BACHI SINGH RAWAT 'BACHADA' (ALMORA): Mr. Deputy Speaker, Sir, I had submitted a representation to Hon. Speaker regarding this Bill as it is a very sensitive issue and the U.F. Government and its coalition partners have time and again declared for the creation of a separate State of Uttaranchal but no concrete action has been taken in this direction, therefore, we have brought it through Private Member's business and it should be taken up for discussion suspending all other business and it could also be taken up as an exception.

MR. DEPUTY SPEAKER: O.K. You have made your point.

15.40 1/2 hrs.

#### State of Uttaranchal Bill\*

[Translation]

SHRI BACHI SINGH RAWAT 'BACHADA' (ALMORA): I beg to move for leave to introduce a Bill to provide for the establishment of the State of Uttaranchal by reorganisation of the existing state of Uttar Pradesh and for matters connected therewith.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the establishment of the State of Uttaranchal by reorganisation of the existing State of Uttar Pradesh and for matters connected therewith."

*The motion was adopted.*

[Translation]

SHRI BACHI SINGH RAWAT 'BACHADA': Mr. Deputy Speaker sir, I introduce the Bill.\*\*

15.41 hrs.

#### State of Vananchal Bill\*

[Translation]

SHRI R.L.P. VERMA (KODARMA): Mr. Deputy Speaker Sir, I beg to move for leave to introduce a Bill to provide for the establishment of the state of Vanachal by reorganisation of existing state of Bihar and for matters connected therewith.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the establishment of the State of Vanachal by reorganisation of the existing State of Bihar and for matters connected therewith."

*The motion was adopted.*

[Translation]

SHRI R.L.P. VERMA: Mr. Deputy Speaker, Sir, I introduce the Bill.

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97

\*Introduced with the recommendation of the President.

\*\*Introduced with the recommendations of the President.

15.41 1/2 hrs.

**Maharashtra Reorganisation Bill 1997\****[Translation]*

SHRI DATTA MEGHE (RAMTEK): Mr. Deputy Speaker, Sir, I beg to move\*\* for leave to introduce a Bill to provide for the formation of the State of Vidarbha by reorganisation of the existing state of Maharashtra and for matters connected therewith.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the formation of the State of Vidarbha by reorganisation of the existing State of Maharashtra and for matters connected therewith."

*The motion was adopted.*

*[Translation]*

SHRI DATTA MEGHE: Mr. Deputy speaker, Sir, I introduce\*\* the Bill.

15.42 hrs.

**Public Sector Enterprises Development Bank of India Bill\****[Translation]*

SHRI GEORGE FERNANDES (NALANDA): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill to establish a separate Bank to cater to the needs of Public sector enterprises.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to establish a separate Bank to cater to the needs of public sector enterprises."

*The motion was adopted.*

*[Translation]*

SHRI GEORGE FERNANDES: Mr. Deputy Speaker, Sir, I introduce the Bill.

15.43 hrs.

**Recovery of Debts Due to Banks Financial Institutions (Amendment) Bill,\*  
(Amendment of Section 1, etc)**

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97

\*\*Introduced with the recommendations of the President.

*[Translation]*

SHRI GEORGE FERNANDES (NALANDA): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill further to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993."

*The motion was adopted.*

*[Translation]*

SHRI GEORGE FERNANDES: Mr. Deputy Speaker, Sir, I introduce the Bill.

15.44 hrs.

**The Representation of the People (Amendment) Bill\*  
(Insertion of new section 8B)***[Translation]*

SHRI PRABHU DAYAL KATHERIA (FEROZABAD): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1951.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951."

*The motion was adopted.*

*[Translation]*

SHRI PRABHU DAYAL KATHERIA: Mr. Deputy Speaker Sir, I introduce the Bill.

15.45 hrs.

**Indian Penal Code (Amendment) Bill\*  
(Amendment of section 376)***[Translation]*

SHRI PRABHU DAYAL KATHERIA (FEROZABAD): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill further to amend the Indian Penal Code.

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Penal Code."

*The motion was adopted.*

*[Translation]*

SHRI PRABHU DAYAL KATHERIA: Sir, I introduce the Bill.

15.45 1/2 hrs.

**Scrutiny of Assets of Ministers, Members of Parliament and Public Servants Bill\***

*[Translation]*

SHRI PRABHU DAYAL KATHERIA (FEROZABAD): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill to provide for scrutiny of assets of Ministers, Members of Parliament and Public Servants.

*[English]*

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for scrutiny of assets of Ministers, Members of Parliament and Public Servants".

*The motion was adopted.*

*[Translation]*

SH. PRABHU DAYAL KATHERIA: Sir, I introduce the Bill.

15.46 hrs.

*[English]*

**Prevention of Insults to National Honour (Amendment) Bill\***

**(Insertion of New Section 4)**

SHRI R. SAMBASIVA RAO (GUNTUR): I beg to move for leave to introduce a Bill to amend the Prevention of Insults to National Honour Act, 1971.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to amend the Prevention of Insults to National Honour Act, 1971".

*The motion was adopted.*

SHRI R. SAMBASIVA RAO: I introduce the Bill.

15.46 1/2 hrs.

*[English]*

**Prohibition of Extravagant Expenditure of Marriages Bill\***

SHRI R. SAMBASIVA RAO (GUNTUR): I beg to move for leave to introduce a Bill to prohibit extravagant and wasteful expenditure on marriages and for matters connected therewith or incidental thereto.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to prohibit extravagant and wasteful expenditure on marriages and for matters connected therewith or incidental thereto".

*The motion was adopted.*

SHRI R. SAMBASIVA RAO: I introduce the Bill.

15.47 hrs.

*[English]*

**Disclosure of Assets by Ministers, Members of Parliament and Civil Servants Bill\***

SHRI G.A. CHARAN REDDY (NIZAMABAD): I beg to move for leave to introduce a Bill to provide for disclosure of assets by Ministers, Members of Parliament and Civil Servants.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for disclosure of assets by Ministers, Members of Parliament and Civil Servants."

*The motion was adopted.*

SHRI G.A. CHARAN REDDY: I introduce the Bill.

15.48 hrs.

*[English]*

**High Court of Andhra Pradesh (Establishment of a Permanent Bench at Visakhapatnam) Bill\***

DR. M. JAGANNATH (NAGARKURNOOL): I beg to move for leave to introduce a Bill to provide for the establishment of a permanent Bench of the High Court of Andhra Pradesh at Visakhapatnam.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the establishment of a permanent Bench of the High

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97.

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 25-7-97.

Court of Andhra Pradesh at Visakhapatnam."

*The motion was adopted.*

DR. M. JAGANNATH: I introduce the Bill.

15.48 1/2 hrs.

[English]

#### **Special Courts for Women Bill\***

SHRI CHITTA BASU (BARASAT): I beg to move for leave to introduce a Bill to provide for the constitution of special courts to deal exclusively with atrocities committed against women and for matters connected therewith.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the constitution of special courts to deal exclusively with atrocities committed against women and for matters connected therewith".

*The motion was adopted.*

SHRI CHITTA BASU: I introduce the Bill.

15.49 hrs.

[Translation]

#### **Population Control Bill\***

SHRI DHIRENDRA AGARWAL (CHATRA): Sir, I beg to move for leave to introduce a Bill to provide for measures to control population and for matters connected therewith.

[English]

MR. DEPUTY SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for measures to control population and for matters connected therewith".

*The motion was adopted.*

[Translation]

SHRI DHIRENDRA AGARWAL: Sir, I introduce the Bill.

*(Interruptions)*

SHRI AMAR PAL SINGH (MEERUT): My name was first in the ballot held earlier. Mr. Speaker, has fixed two hours' time for discussion on Private Member's Bill. Due to extending time last time, my Bill could not be taken up for discussion. The time also my Bill for the eradication of

corruption and crime has stood first in the ballot. If the time is again extended, my turn will not come again ...*(Interruptions)*. Therefore, I would like to request that the time fixed for the purpose should not be extended anymore.

MR. DEPUTY SPEAKER: Once it was decided in the House that the time should not be extended. This was done so that the other Bills could also be taken up for discussion.

*(Interruptions)*

SHRI AMAR PAL SINGH: I would like to request that justice should be done with other Bills also.

MR. DEPUTY SPEAKER: It can be done after this item is over.

15.51 hrs.

[English]

#### **CONSTITUTION (AMENDMENT) BILL**

*(Omission of Article 44, etc.)—contd.*

SHRI I.D. SWAMI (KARNAL): Last time we were discussing about the Common Civil Code. A lot of debate has already taken place on this in the Press and both inside and outside the House. The very important point is, why in these 50 years we have not been able to carry out the directive given by the wisdom of the framers of the Constitution. This year when we are celebrating the Golden Jubilee of our Independence, for the unity and integrity of the country, we have to think whether Common Civil Code should be enforced or not. A Bill is before the House seeking to enforce a Common Civil Code in this country.

The Common Civil Code was given as a direction, a path, shown by the framers of the Constitution. No doubt it is not justiciable, but the Directive Principles are as fundamental for the governance of the country, as the fundamental rights are. If we go through the debate of the Constituent Assembly on this question, we would find that the stalwarts like K.M. Munshi, Ananthasayanam Ayyangar and others had again and again assured the Constituent Assembly at that time, that the point before them was whether they were going to consolidate, unify their personal laws in such a manner that the way of life of the whole country in course of time, be unified and secular. We always talk of secularism but the basic thing is that we want to divorce religion from personal laws, from what may be called 'social relations' or from the rights of parties, as regards inheritance, succession, marriage, etc. What have these got to do with religion? But by and large the bogey always raised is that enforcement of a common Civil Code of framing of a Common Civil Code shall interfere with the religious sentiments of the people, it will interfere with the habits of a particular community.

The social relation may need reformation of certain customary laws, if there is any scope for reformation in them. There is no religion which is involved in it. Take for example the Hindu Law itself. If we look at Manu, Yajnavalkya

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[Shri I.D. Swami]

and the rest of them, most of the provisions of the Hindu Law, which had already been made, will run counter to the injunctions but still the Hindu Law was framed. Hindu Marriage Act was passed. Hindu Adoption and Maintenance Act was passed. Hindu Succession Act was passed. This bogey was never raised that we must consult the persons or the community concerned or whether the country is ready for it or not. But now whenever the question of Common Civil Code is raised, you always ask us to consult, wait or go slow. In these 50 years we have gone so slow that we have almost forgotten about the injunctions provided in the Constitution by the Directive Principles of this country. After all, we are an advancing society. We are at a stage when we must unify and consolidate the nation by every means without interfering with religious practices.

Common Civil Code does not interfere with any religious practice. It does not come in conflict with the religious freedom enshrined in the Constitution at any stage. In the fiftieth year of our freedom and after 47 years of adoption of our Constitution, when a directive was given and a path was shown to us, let us put our foot down and say that the matters of social relationship, matters of marriage, matters of inheritance and matters of accession are not matters of religion at all. They are matters where reformation is needed, where some improvements are needed.

In this connection what we need is a secular legislation. We always boast about secularism and say that we always stand by secularism. But so far as a secular legislation in connection with these matters is concerned, we always say, 'No, we should go slow, we should consult the people, we should not make hurry about it.' The importance of this was emphasised by Article 44 of the Constitution. Let us not waste any more time we have already wasted about 50 years. The isolationist view, the isolationist outlook of bringing in religion or religious practices in any progressive and reformatory legislation, we must all give up. The sooner we do it the better would it be for the country not only because the Directive Principles enjoin upon us to do it but even the highest court of this land, The Supreme Court has said again and again, from earlier than Shah Bano case and even later, that if we want to honour the integrity of this country, if we want to save the unity of this country, if we want to save the country as a whole, we must have a common civil code that was enjoined upon us by Article 44 of the Constitution.

This attitude was perpetrated under the British rule that personal law is a part of religion. This particular isolationist outlook had been fostered by the Britishers and the British courts. Now is the time when we must forget about what Britishers have been telling us, what the British courts have been upholding.

In fact, if we go back into the history, even the history stands witness to it that Allauddin Khilji made several changes which went against the *Shariat*. Though he was the first to establish the *muslim sultanate* in this country, he had the boldness and courage to make certain changes

for the sake of the unity of the country, for the sake of the reformation, and for the sake of the rights of women and others. At that time, the *Quazi* of Delhi had objected to some of those references. The reply of Allauddin Khilji to the *Quazi* of Delhi was:

"I am an ignorant man. I am ruling this country in its best interest. I am sure, looking at my ignorance and my good intentions the Almighty will forgive me when He finds that I have not acted according to *Shariat*."

If Allauddin Khilji in those good old days could say so, how is it possible now that this country, while entering the fiftieth year of its freedom, cannot at all make up its mind to have a common civil code only on the false plea that it interferes with any religion or any religious practice which it does not? We have to shed this attitude, the isolationist attitude, which in fact was perpetrated, which was fostered by the Britishers and the British courts.

I will give a few examples of what has been happening in many other countries where there are no Directive Principles and where the Constitution does not say so. Even then while debating the particular provision in the Constituent Assembly, the late K.M. Munshi had assured the House at that time that the provision had been debated and discussed in many forums, many Committees and also that the House had accepted the Principle.

16.00 hrs.

What was that principle which had been accepted by the then Constituent Assembly? It was that if a religious practice followed so far comes in the way of a secular activity or falls within the field of social reformation of social welfare, it will be open to Parliament to make laws about it and without infringing of course, the fundamental rights of any minority.

Sir, nowhere in advanced Muslim countries, the personal law of each minority has been recognised as so sacrosanct as to prevent the enactment of a Civil Code. Now, take for example, Turkey, Italy and Egypt. No minority in these countries is permitted to have any such rights. What happened when *Shariat* Act was passed? It is before us. When the *Shariat* Act was passed or when certain laws were passed in the Central Legislature in the old regime, the *khojas* and *cutchi memons* were highly dissatisfied but they had to submit to it most unwillingly, of course. This is what has been happening in this very country when the *Shariat* laws were amended.

In Europe, in America, in Italy, in Germany and in France or wherever we may go, in those countries they have a Civil Code. There are Hindus, there are Muslims, there are Catholics, there are Christians and there are Jews also but different personal laws are not perpetrated, perpetuated there and there are no personal laws. In those countries—which has a Civil Code—everyone whenever goes there, whether he goes from Pakistan, whether he goes from India, or whether he goes from any part of the world, every minority has to submit to the Civil Code. But

this is a very strange phenomena in this country only where we swear by secularism every day and every morning and every evening. We do that enforcing a common civil code despite the Directive Principles having provided for a Common Civil Code. In 50 years' time we have not been able to have a Common Civil Code and on one pretext or the other and for one reason or the other, we have been postponing this important legislation and we have always been abrogating rather disobeying the directions, the path shown by the Constitution makers. In their wisdom, they have seen and show to us that if the unity and integrity of the country can be maintained, we must fall in line and we must have a common Civil Code all through the country. If in other countries, all religious people living there can obey their one Civil Code and have an application of Common Civil Code; can have their Civil Code; and can accept the Civil Code; why can not we, in our country, accept a Common Civil Code?

The point, however, is whether we are going to consolidate, unify the personal law in such a manner that the way of life becomes in course of time unified and secular. That is the only position. After all, we are an advancing society and we must at some stage or the other consolidate these laws.

I would only submit that the Bill which has come up before this House, should be wholeheartedly supported. I stand here to support this Bill.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (JAIPUR): Mr. Chairman, Sir, I rise to support the Bill moved by Shri Bhagwan Shankar Rawat regarding Common Civil Code. I support it because it is enshrined in the Directive Principles of the State and the Constitution also.

Sir, I would like to remind you that when Shri Deve Gowda was the Prime Minister, the Supreme Court also hand reprimanded and wanted to know the reason for not enacting this Law. Shri Deve Gowda is no more a Prime Minister. A policy of 'if' and 'but' came into existence but Common Civil Code could not be enacted its enactment is very necessary. Even after 50 years of our Independence, it could not be enacted while it has been mentioned in the Directive Principles of the Constitution. If the country follows this Principle, it would certainly progress.

But unfortunately, even after 50 years of our Independence, we could not follow the Directive Principles. Today, it is very necessary to enact Common Civil Code for all the citizens without any discrimination and in the name of social justice, secularism and uniformity. When the Indian Penal Code applies to one and all in the country, there should be a common Civil Code for all and not separate Code for Muslims and separate for Christians. Our flag is one, we have one Constitution and one national ideal. Therefore, a Common Civil Code should also be there. Although the Government have delayed this but they should ensure after the verdict of the Supreme Court that there is Common Civil Code in the entire country.

With these words, I conclude my speech.

[English]

SHRI SRIBALLAV PANIGRAHI (DEOGARH): Sir, we have this Bill on Uniform Civil Code of Common Civil Code before us in the House as a Private Member's Bill.

Under Article 44 of our Constitution, that is in Chapter 4 dealing with the Directive Principles of State Policy this finds a mention. Among other things, this also is included that the State should endeavour to bring about or to have a uniform civil code in the country.

16.06 hrs.

(SHRI P.C. CHACKO in the Chair)

Likewise, also there are several things which the State should endeavour, according to this Chapter. These are to provide free education, to provide employment to all citizens, etc. As you know, like Fundamental Rights, this is not justiciable and our Constitution makers, the fathers of the Constitution, while making this provision, I think were quite conscious of our situation and therefore, they did not put it in the Fundamental Rights Chapter but they put it in Chapter IV and it should be the endeavour of the State to achieve this.

Sir, what are the priorities before the country, that is the important point. We have a lot of problems in our country, we are passing through a crisis. When we are passing through a crisis, what should be our priorities? Should it be economic development, should it be the question of *roti, kapada aur makan* or should it be some matter like uniform Civil Code? That is something that the House together should address to.

As you are aware, our country is a unique country. It is a very vast country, a country of continental size and proportions. It is just not a country, it is a multi-lingual, multi-religious, multi-cultural nation or a country or a society.

Sir, right now, if you find floods claiming lives in certain parts of our country, you will come across bad and sad news of crops withering up, drying up due to want of rains elsewhere.

This is the type of country we have. Somewhere, there is flood; somewhere else, there is dry weather.

In different places, even some people wear different dresses. They have different culture but we have a composite culture. Our culture is composite in nature. This is how amidst diversity, we live as a nation. That is why, our priority is to enrich this nationhood so as to ensure this national unity and integrity in diversity. That is our first concern. That should be our first concern in anything that we do.

During Gandhiji's days, Gandhiji used to say and his advice is that whenever there is any dispute, any conflict in your mind about certain issues, you kindly rely on your conscience. Think over that problem again and again and



[Shri Sriballav Panigrahi]

ask a question to your conscience that by what you are going to do whether the poorest of the poor in the country will lose or gain. If the answer comes that your decision is going to benefit the poorest of the poor, then you go ahead with that.

Today, I think we have to put similar questions whenever there is a controversial subject that comes before us. Certainly this is a controversial subject. And when it is before us, we should ask: what is most sought after thing in our country today? It is unity and integrity. We have to ask this question that whatever we do, whatever we are going to do about certain matters, certain topics, whether the most cherished unity is going to be strengthened or weakened. If we ask this question today about this Bill, the answer that will come will be the same that even, I think the mover would say 'yes, by this, unity will not be strengthened; it will be rather weakened. Therefore, in this background, I stand to oppose this Bill.

Sir, at the same time, there is a disinformation campaign going on. As I said, there are different religions prospering in our country. We have coexistence. We have a society where we have to promote the spirit of coexistence. All religions must stay there. They stay here. They should stay here peacefully. The spirit of hatred need not be promoted, need not be developed. We have to conduct ourselves in such a fashion that the spirit of brotherhood and friendship is promoted, is developed. By spreading hatred, we are not going to promote the cause of unity. In that background also, I would say that there is a disinformation campaign always going on.

Sir, there is also an objective or a motive behind this Bill. I read a motive behind this Bill. It is because we all know that if something of this nature is imposed on certain communities and religions, then what is the type of reaction that will be there? That will not be quite desirable. That is not welcome also.

So there is a disinformation campaign. What is this disinformation campaign? There is a certain religion where polygamy is allowed and it is freely practised. The people are at liberty to go in for third marriage, fourth marriage and so on.

But there is a report. It is a report of the Committee on the Status of Women in India and that report was presented in 1974. According to that report, the rate of polygamous marriages is 15.25 per cent among the tribal communities in our country. It is 7.97 among the Buddhists, 6.72 per cent among the Jains, 5.8 per cent among the Hindus and 5.7 per cent among the Muslims. According to this report, this percentage of polygamous marriages in the Islamic religion is minimum.

So let us not carry on a disinformation campaign which will spread hatred among people belonging to different religions.

I would like to point out here that even earlier tribal

chiefs, zamindars and Rajas were having second wife, third wife, etc. But the time is changing; history is changing and society is changing. Now, with the type of new economy that we are going to have, if proper education is given to the people then nobody will go for second marriage although they are allowed by their religion, by their personal law etc. to have more than one marriage. So, there should be an end to it.

I do not want to make a long speech. I would like to refer only to one portion of the speech delivered by the outgoing President, Dr. Shanker Dayal Sharma, in his broadcast to the nation yesterday. I quote:

"Secularism—the respect for all religions—was the national creed. Indeed, it is the very spirit of our nationhood. This is a philosophy radiated over ages by our ethos. This is the inner message of all religions."

The tolerance and respect for diversity was what was imparted the strength of the civilisation. It was this democratic approach, the approach of peace, love and brotherhood, which has made the civilisation endure and become glorious."

Again, today, our new President, Shri K.R. Narayanan, after assumption of his Office as President of India, has said and I quote:

"It is also a democracy in which secularism, equal reverence of all religions and faiths, is enshrined in the Constitution. Gandhiji used to say that "true democracy is what promotes the welfare of the people". We have, therefore, the obligation to direct all our efforts to the task of abolishing poverty, ignorance and disease from among our people."

So, we should give priority to all these problems. I do not say that I am against the Uniform Civil Code. However, the time is not ripe for that. That is quite ideal, but the society has to change for it. There has to be a climate built up and which can be built up by spread of education and also by changing the mind of people for which all religious leaders, political leaders and social workers have a responsibility. Therefore it is something that it need not be insisted upon. I would request that since this will not be in the national interest now, the mover of the Bill should not insist on this Bill to be taken up for voting, etc. He should rather withdraw this Bill. Instead, in social sphere we have to endeavour for this, which has been provided for, and which is, in fact, the spirit of our constitutional provision which finds place under Article 44.

MR. CHAIRMAN: We have exceeded the time limit allotted for this Bill by four minutes. So, I seek the consent of the House. There are two more speakers and the intervention of the hon. Minister is there.

(Interruptions)

MR. CHAIRMAN: Before that we have to extend the time. So, till we complete this Bill, we will continue our

discussion. There are two more speakers and the intervention of the hon. Minister.

*(Interruptions)*

*[Translation]*

SHRI AMAR PAL SINGH: Mr. Chairman, Sir, this Bill is followed by my Bill. In the previous Session also, my Bill was included in the list of Business but it could not be taken up for consideration due to paucity of time. You are thinking of extending the time today again. If it is done, my Bill will not be taken up for discussion. We have only two days i.e. 25th July and 8th August to introduce our Bills. Therefore, I oppose the extension of time for this Bill.

*[English]*

MR. CHAIRMAN: We cannot help it. The problem is that we have to complete this Bill.

*(Interruptions)*

MR. CHAIRMAN: There are two speakers and the Minister's intervention is left. So, by that time, we shall complete it. We will all cooperate and go to the next subject. Now the Minister's intervention please.

*(Interruptions)*

MR. CHAIRMAN: There are two more speakers. They will speak after the Minister's intervention.

*[Translation]*

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA (MUMBAI SOUTH): Mr. Chairman, will the Minister Speak before or later on ...*(Interruptions)*

*[English]*

MR. CHAIRMAN: At the end, there will be the reply by Shri Bhagwan Shankar Rawat. So, the Minister can intervene now and after that the other two Members can speak.

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): Mr. Chairman, Sir, this House has heard a marathon debate on the Bill moved by hon. Member, Shri Bhagwan Shankar Rawat ...*(Interruptions)*

MR. CHAIRMAN: Excuse me, Mr. Minister. Will you please take your seat? There are only two Members left. Can you bear with them for five minutes each?

SHRI RAMAKANT D. KHALAP: Let them speak for two minutes each.

MR. CHAIRMAN: After the Minister's speech, the other speaker cannot participate. Only the Mover can reply after that. Let Shri Brij Bhushan Tiwari finish in a few minutes.

*[Translation]*

SHRI BHAGWAN SHANKAR RAWAT (AGRA): You had created a new convention in the previous sitting in this regard. I thought you were going to create a new convention again.

*[English]*

MR. CHAIRMAN: No, I do not want to create a new convention. Last time it was unavoidable and you know that.

*[Translation]*

SHRI BRIJ BHUSHAN TIWARI (DUMARIANGANJ): Mr. Chairman, Sir, I strongly oppose the Bill brought by Mr. Rawat because this Bill is untimely and secondly there is no need of it today. When the reference of the Directive Principles was given and when the Constitution was framed, it was provided in the Directive Principles. Keeping in view the atmosphere of the country at that time, it was determined that we would make such a country, such a society where there would not be any legal discrimination. However, 50 years have passed since then and in my opinion, we have made much progress and such an atmosphere was being created that no law would be imposed on people against their wishes because it is against the basic principles of democracy. When you enact any law and there is no consensus of the people that law has no meaning. We have enacted many such laws. There is one Sharada Act and there are many other such Acts which name not been followed due to lack of consensus of the people. Now, I think that the much talked Common Civil Code has got changed to a large extent. We have made progress. Today you know that Evidence Act is one. I.P.C. Act is one and Property Act is also one. Marriage Act is also one. Most of the marriages are solemnise in accordance with their conventions and there is also provision that a person belonging to any religion, may solemnise Civil marriage under Civil Marriage Code if he so wants. Therefore, there is nothing in that which is necessary. If we want to make our democracy lively and meaningful, we should create such a atmosphere in the country and it can not be created by saying only. This atmosphere would be created by our conduct and all people should feel that this country belongs to them and they are partner in that country. If there arise the belief or fear in the minds of minorities or weaker sections that someone wants to suppress them, it would have adverse effect even if it is said with good intentions.

I want to say in this regard that communal forces have risen in the country after the incident of 6th December. I don't want to say it for levelling any charge. But I want to say to those people who believe in this philosophy, who believe in these policies, who want to show by their behaviour that they talk of one nation, one language and one religion and who make propoganda in the entire country for achieving a goal and try to create bitterness by raising the issues of increase in population, influx of refugees, language, and Article 370. It is not seen as to what is the relevance of it today and what are the circumstances of

[Shri Brij Bhushan Tiwari]

today. So far as the rights of women are concerned, there are so many tribals in our country particularly in North East who are against it. They say that if women are given special rights or if they are provided reservation, it would be against our conventions, our customs and that they don't believe in it ...*(Interruptions)*

SHRI KARIA MUNDA (KHUNTI): There are also matriarchical families in North East.

SHRI BRIJ BHUSHAN TIWARI: You are hundred percent right. But there are also such tribals where even I.P.C. has not been implemented, they implement their own rules and regulations. I mean to say that our country has various groups, various castes and various religions. Therefore, we should try to create such circumstances in it so that people themselves may create atmosphere to achieve these targets.

You know that how much hue and cry was made when Hindu Code Bill was passed I remember that in those days people, belonging to Jana Sangh, R.S.S. or people of old views gave arguments that if girl is given rights, there would be cases between brothers and sisters in the courts and all sorts of objections were raised. But you see that situation is changing gradually. Figures about four marriages have also been shown to you. Today with the gradual awakening through education, the women of many Muslim countries have started vigorous movements for their rights. As people would awaken, they would be conscious about their rights and such an atmosphere of consensus would become when separatist tendencies would come to an end. In such a situation we can make such law by which rights and respect would be provided.

With these words I strongly oppose this bill.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA (MUMBAI SOUTH): Mr. Chairman, Sir, I rise to support the Bill introduced by hon'ble Member Shri Bhagwan Shankar Rawat. After some days, we would be celebrating the Golden Jubilee of our independence. On this occasion, it would be a matter of pride for us on the Golden Jubilee Celebration of Independence to bring and pass the proposed bill. There is only one reason for it that we have recognised the objective of secularism in the Indian constitution.

Whenever occasion comes for considering of this bill or this subject, the other parties raise the point that it is not proper time to discuss this bill, the policy of appeasement the policy of discrimination is adopted and thereby the unity and integrity of the country is attacked. It would be in the national interest to implement Common Civil Code, because when this constitution was framed, and after that also, the makers of the constitution had asked to implement it at least for some time. In this regard I would like to say that the Supreme Court has also said in its judgement that the Government should think over this matter at the earliest. But all the Governments, which come in power, have not considered it seriously.

Being a woman, I want to mention an incident of Mumbai in which after sudden death of a young man his mother and wife each got half of his property. After some days with a Christian woman something happened who was living in their neighbourhood. She also expected that she would also get rights in respect of property in the same manner. But it did not happen so, because personal law came in between.

I want to say that all the people, whether they are Christians or Parsi, want to join the national mainstream and if we want to bring them in the national mainstream, we have to implement the Common Civil Code. It would inculcate the feelings of nationalism. There is no doubt in that. But there is one thing that this issue has been postponed so far by adopting the policy of appeasement. Hon'ble Minister, Shri Khalapji is present here and he knows and all Members of Parliament know that Common Civil Code is in force in Goa. It is fortunate that our Minister Shri Khalap belongs to Goa. He would tell how people get justice in Goa and he would seek the support on this bill and they would help us in passing this bill.

Besides, I would like to tell one thing more that it is a matter of national interest. My friend Tiwariji was saying just now that we want to impose this law on someone. I would like to tell Tiwari ji that we don't want to impose any law on any one. We want to take good things from Hindu laws, Muslim laws and other religious laws so that women could be given justice. A committee should be formed which may study all the personal laws and good things should be incorporated in this Bill.

I want to accept this fact that there has been the law of one wife in Hindu religion, but I am constrained to say that when a Hindu wants to get second marriage, he changes his religion and becomes Muslim. This is very sad thing. There are bad things in Hindu society also. We want to remove them. We don't want to talk about Hindu, Muslims, Sikh, Christians, Parsis etc. here.

If we have adopted secularism in the country, there should be Common Civil Code from the point of view of women also. A woman is only a woman irrespective of any religion and caste and for giving them social justice, Common Civil Code is necessary. Due to our persuasive role for providing social justice, we urge upon all our hon'ble Members to support the bill prepared by our hon'ble Member Shri Bhagawan Shankar Rawat because there is need for providing social justice to the woman and other citizens of the country on the occasion of Golden Jubilee of our Independence. As Khalapji is getting late, I would not like to speak more but would like to submit that Khalapji should also support this Bill. It is high time to pass this Bill. Therefore, my submission is that the Uniform Civil Code Bill, presented by Shri Bhagwan Shankar Rawat, to provide women social justice and reservation in the golden jubilee year of Independence should be supported.

Mr. Chairman, Sir, I am thankful to you for giving me an opportunity to speak and with these words, I conclude.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): Mr. Chairman, Sir, this Private Member's Bill brought forward by the hon. Member, Shri Bhagwan Shankar Rawat has evoked a marathon debate and mixed reactions from different shades reflected in this august House. Almost everyone in this House has endorsed the principle, in my opinion, that in this great country if it is possible there should be one law applicable to all people. However, a number of speakers have stated that such a possibility is remote because of the circumstances that exist in our country. We are a huge country. We are a country comprised a number of religions and each religion is also comprised of a number of sects, beliefs and understandings. Each of the groups and sub-groups in our country, unfortunately, follows its distinct traditions and systems relating to their marriages, personal laws, inheritance and so on. How can all these different shades of opinion be put together? That is the main question. Of course our Constitution does say that the State shall endeavour to secure for the citizens a Uniform Civil Code. This is an injunction given to the State. But the history of the last 50 years tells us that this has not been possible and time and again our leaders have said that the religious communities should sit together and arrive at a common understanding so far as the Personal Laws are concerned.

Sir, a reference has been made to Goa. Yes; in Goa we do have, what is known as, a Uniform Civil Code. But this is not the whole truth. When that Code was enacted, there was also a saving clause. A special law was also made at that particular time that the custom and usages of the native Hindus shall also be protected. So, in fact, we do not have, in a real sense, a Uniform Civil Code in Goa. The usages and customs have been protected. But what has happened is, over the years the Hindu community in Goa forgot that there is, what is called, a saving provision and everyone subjected himself or herself to the Uniform Civil Code.

We should also remember as to when that Code was enacted in Goa and what was the situation prevailing in those days in Goa. You cannot compare the colonial rule of the Portuguese with the colonial rule of the British in India. Both were foreigners, no doubt; both subjugated our population, whether in Goa or the rest of the country. However, the Portuguese, in the exercise of their colonial power, were more wicked than the Britishers. They saw to it that whatever law they enacted was accepted by everyone. It was a yoke and it was difficult for Goans to remove it from their necks. We should remember that Goa remained under the Portuguese rule, under the Portuguese yoke, as we call it for 450 years and therefore, whoever stayed in Goa or whoever was the domicile or the subject of the Portuguese there subjected himself to this provision of law.

The Goans went about following a dual system. They would go to the Registrar's Office and register the marriage. In fact, it was a civil marriage which they registered, but

in its religious connotation they did not accept the civil law. They would go back and solemnise their marriage according to their religious tenets. A Hindu would go back and perform the marriage as per the Hindu system. 'Saptapadi' is still important. When I myself got married, in fact, I have got married twice, I mean to the same girl.

SHRI SONTOSH MOHAN DEV (SILCHAR): Are you speaking from your experience or from others?

SHRI RAMAKANT D. KHALAP: Both from my experience and of others.

We went to the Civil Registrar's Office and our marriage was solemnised, and it was registered in the Office of the Civil Registrar in the presence of witnesses; photographs of that particular incident have also appeared. Although we registered under the law, we did not consider ourselves husband and wife. We went back and our marriage was solemnised under our Hindu religious rites. Only when the 'saptapadi' was complete, we became husband and wife. So also was the system with the Muslims there. They too go to the Sub-Registrar's Office, register the marriage, and then the 'nikah' is performed separately. Until the 'nikah' is performed, they are not husband and wife. So also is the system with the Christians. They go and register the marriage in the Sub-Registrar's Office and thereafter they go to the Church where they exchange the vows, and they become husband and wife. This is the situation. So, in fact, you cannot compare the situation in Goa with the situation that exists in the rest of the country.

In the *Sarla Mudgal* case, about which a reference has been made by so many speakers, the Supreme Court did direct us to file an affidavit and tell the Court and the country through the Court about the steps the Government would take to implement the directions given under Article 44. We filed an affidavit. In that affidavit, we had no alternative other than to tell the Court about the prevailing situation in our country. We told the Court that all attempts were being made—different provisions of different laws were being codified; different sections of the law have already been codified. We spoke about the possibility of bringing about one code. We spoke about the possibility of bringing about several enactments in a piecemeal manner. While this was going on, we received representations from thousands of people in this country objecting to this principle of uniform civil code.

Therefore, in a country of ours where diverse opinions rule this country, where different political shades have their own agenda to carry forward, where different religious denominations have their own axes to grind, where different philosophies exist and where even in one religion there is no uniformity so far as their own beliefs are concerned, how can we go ahead and bring a uniform civil code?

Take the Hindu religion itself. This Hindu religion exhibits a diverse tapestry of the systems, customs and usages. Even among the Muslims, there are different sects, and sub-sects, which also follow their own peculiar methodologies. Then, we have the Sikhs, Jains, Parsees and

[Shri Ramakant D. Khalap]

Christians—among the Christians also, again, there are sub-sects.

So, until we bring about, first of all, a common thinking among all these people, it may be a difficult proposition. Now, the learned hon. Member, Shri Rawat, asked: "Are you going to give a assurance to this House that such a thing would be done and that such a Bill would be brought?" My reply to him is that such an assurance is contained in the Constitution itself.

In terms of Article 44, a promise has been made out before the people of this country that the State shall endeavour to bring a common Civil Code. This assurance is there. But what is said finally? Does the State mean the United Front Government? Does the State mean the BJP? Does the State mean Hindu religion or Muslim religion or Christian religion? The State means, after all, all of us. All political parties, all religious denominations, all sub-sects, and so on and so forth. When all these unite to form one opinion which can be called that State Opinion, that would be the time to bring common Civil Code. Left to me, I would say "Yes. Let us do the tomorrow." But this is not a dictatorial regime. In Goa, we had a dictatorial regime.

Therefore, they could push through whatever enactment or legislation they wanted and it was not a legislation of the type that we do it here. There was no question of any free debate as we are having. The rulers then wanted an enactment and they simply enacted it. They simply ordained that the terms of the law would be applicable from the next day onwards. Either you accept it or run away from the State. That is what a number of Goans did. There was an exodus from Goa. People went away from the State of Goa for various reasons. One was religious persecution. Another was perhaps this type of law went against the beliefs of the people. I do not know what exactly may be all the causes that led to the exodus from Goa. Therefore, let us not compare the situation which existed during those days with the situation which prevailed in our country. It is the 50th year of Independence which is being celebrated. In this year, if we all can come together and have common opinion about the subject which is so dear to all of us, I think there could be no better achievement than that. How can we perform this miracle? It is not impossible. Therefore, I can only appeal to the conscience of my countrymen and to all the hon. Members of this august House, that let us go ahead.

I appeal to each one to come on a common platform, let us come to common understanding, let us all decide what is the most important aspect that should govern our lives and our inter-relationship and our personal laws and if we can achieve that least common denominator. Probably that would be the day when the common Civil Code can be achieved in this country. Till then, I would request my hon. friends, you and I, and all the other Members here that let us go ahead on this campaign of making our people believe that "O! countrymen, let us come together. Let us

have at least in respect of personal laws like inheritance and marriage, a commonality of thought which can be emulated by generations to come in future."

I request Shri Bagwan Shankar Rawat to please agree to withdraw his Amending Bill for these reasons.

[Translation]

SHRI BHAGWAN SHANKAR RAWAT (AGRA): If the hon'ble Minister wants to go, he can go. I know that he is in a hurry. However, I would conclude within five-ten minutes ... (Interruptions) I would abide by their views only after expressing my views.

Sir, many hon'ble Members from different areas have expressed their views in the House. I regret that perhaps, we are unable to understand the meaning of secularism. You are a very learned person. The meaning of secularism in the dictionary is something not concerned with spiritual or religious affairs of this world. The country has suffered only due to anti-religiousness. Today, the entire country is speaking in favour of ethics so that moral values could be established in the social life.

Corruption, impropriety and anarchism are on the rise in the society. Secularism does not mean respect for all religions. The country today needs religious relativity. I would like to draw your attention towards one more point. Just now, the hon. Minister made a reference to Portugal and said that British regime was less cruel. I would like to submit that we have inherited the system of West Minister Abbey. In England also, there is no separate civil code for different minorities under this system. There is a uniform Civil Code. In the Commonwealth Nations, which had once been under the British rule, there is no other caste-based Civil Code except the common civil code. Besides, I have also studied the social system of most of the countries of the world. I have not come across any other country except India where the Civil Code has been made on the basis of religion. I have studied the social system of the ideally secular countries like England, America and other European countries which have faith in the Church, and even then, they are secular countries. But, they do not have a separate Civil Codes on the basis of castes. My friend just mentioned that if a uniform Civil Code was formed, there would be communal tension. I would like to submit that communal tension has nowhere cropped up on the basis of this uniform Civil Code. Communal tension is created by vested interests for the politics of votes and to serve their own purpose.

The hon. Defence Minister talked of special endeavour, but when there is no will power many things would remain in the law books and these would not be translated into action. I understand that the Government postponed the entire issue due to lack of will power. In this process, the Supreme Court was also cheated by the government by giving an affidavit, our efforts also did not bear fruits. The government should tell us about the reason for giving affidavit in the court and the steps taken to implement the Common Civil Code.

One of our friends, Tiwariji sang the same old song. I wanted to reply to his question. I would reiterate that the Bhartiya Janta Party believes in what it says. There is clarity in our policy. We have neither suppressed the Dalits in Uttar Pradesh nor created communal and caste based tension which has gripped the entire Agra and other parts of Uttar Pradesh. It is being done by the people belonging to the party of Shri Tiwari. They say that we would bring an end to the reservation for the Dalits. When, Shri Mulayam Singh Yadav pays a visit to Maharashtra, he speaks in another language and sheds tears for them. I would like to submit that if the speeches of the leaders of Samajwadi Party are compiled, we would come to know that these are inter-contradictory. Bhartiya Janta Party does not believe in it. If any of my friends from the Samajwadi Party has objection, he may refute the charge. The day before yesterday, a Muslim youth was killed and many brothers and sisters were injured. But, my friends from the Samajwadi Party were rejoicing and were encouraging the Muslims to honour them since they had done a very good thing by suppressing the Jatavs and praising them. The workers of the Samajwadi Party have turned violent in rural areas. They have threatened to oust each of the Scheduled Caste and Jatavs from the villages. What does this situation indicate? Bhartiya Janta Party does what it says. It says that there should be a secular Government, there should not be religious relativity and discrimination.

If we have said something, we have also fulfilled that and we are following that in our conduct.

People have tried to create serious misunderstanding about the uniform civil code. The uniform civil code does not mean that there should be Hindu civil code. But that rather means that the good things of all religions should be collected and form part of the uniform civil code.

I want to say something about women's persecution. Much hue and cry was raised that if 33 per cent reservation is given to women, we can improve the plight of women. But reservation alone cannot improve the lot of women, it could be done by bringing about a change in social thinking. When I initiated debate on this Bill last time, I had elaborated that how persecution of women of Christian, Muslim and Hindu community takes place? I could not get a convincing reply to this question. social revolution will have to be ushered in to check the persecution of women. A change will have to be brought about in social thinking, social evils will have to be removed, only then we can improve the lot of women. The founding fathers of the constitution had also said about a uniform civil code for deliverance of women. I want to refer to it once again today.

A serial named 'Ankhon Dekhi' is telecast on Doordarshan. I saw Shri Khalap on Doordarshan in the above serial. I also told Shri Khalap about that. In that serial Shri Khalap was upholding the point of the common civil code of Goa and he was praising that. I had told him that double talk cannot go together. On the one hand, you plead for the uniform civil code of Goa and here you talk in a

different tone. I want to say even today that if marriage is necessitated not only twice but even thrice, it hardly makes any difference. If there is need for a social compromise for removing social evils in the country, we would do that. I want to tell Shri Khalap that there could be an interim period in which marriage would take place as per the uniform civil code and even then if some people feel that marriage has not consummated, they can make marriage as per the old traditions in vogue so that the society remains united and integrated.

We talk here about minority and majority. In countries like America, the percentage of minorities is more than the minority community in India, but they are governed by the uniform civil code. I want to say something about other countries also and I have seen that in many countries that the percentage of minority population is more there than that of ours but despite that there is no separate civil code for minorities. It pains me that we have made no efforts even a half-hearted effort on this count. We think right from the beginning that if the common civil code is enforced and social harmony is maintained among people, the politics of votes would not play its game. Those who want to spread the venom of hatred in society and flare communal feelings for the sake of votes and try to alienate communities, their gameplan and designs would not succeed. This is the reason as to why the common civil code could not be enforced whereas the constitution makers had urged for this in the directive principle of state, which the hon. Minister has also admitted that this should be enforced. Anyway, he has given assurance that he will try. I believe that he would make sincere efforts in this direction. He has made a fervent appeal publically ...*(Interruptions)*. I am talking about the Minister of the Government of India. I am not talking about any particular individual.

17.00 hrs.

Shri Alagh is sitting here. How much 'initiative' he would take remains to be seen. If he takes initiative, I would welcome him. The need of the society is today that the torch of change should be aflame so that darkness and fog enveloping the society is removed and society is guided and illuminated and the evils that plague the society are eradicated. I am sure that the Government of India will give assurance with sincerity work towards it with good intentions. Since this had not been done for the last 50 years, so my feeling were suppressed which led me to say so. Many of our friends also said here that this bill is well-intentioned. I am thankful to them that they took it in the good sense but whosoever had doubts in their mind, I have tried to dispel them. Mr. Chairman, Sir, the history bears testimony to the fact that goodwill and harmony are vital to society. If all were treated equally, good changes would have taken place in the society but when discrimination, the results are bad.

With these words, I withdraw this bill.

[English]

MR. CHAIRMAN: The Question is:

"That leave be granted to withdraw the Bill further to amend the Constitution (Amendment) Bill, 1996 (Omission of article 44, etc.)"

*The motion was adopted.*

SHRI BHAGWAN SHANKAR RAWAT: I withdraw the Bill.

17.02 hours

[English]

#### ABOLITION OF BEGGING BILL-CONTD.

MR. CHAIRMAN: Now, we move on to the next item, i.e., item no. 37. Abolition of Begging Bill, 1996. Dr. T. Subarami Reddy was on his legs. As he is not present in the House now, I think, we should call the next speaker. Shri Prithviraj D. Chavan, please.

SHRI PRITHVIRAJ D. CHAVAN (KARAD): Thank you, Mr. Chairman, Sir, My friend Dr. Reddy has brought the Private Member's Bill seeking to abolish the begging which actually comes from poverty. It is a well-intended Bill, will meaning Bill. But it is very difficult to implement. What the hon. Member has suggested is that certain funds be created and that begging can be removed by law, I disagree with him.

As I said, it is a well-intended Bill but it is very difficult to practically implement it. What will have to be done to abolish poverty, will be to abolish the causes which cause beggary. When you analyse the causes of extreme poverty, causes which force people, young children, women to beg to the street, particularly in the metropolitan cities, it is obvious that the main reason is the extreme poverty that exists in this country, even 50 years after independence.

Sir, there are statistics by the Planning Commission which say that nearly 40 per cent of the population is living below the poverty line. People are poor, they are not able to even have two square meals a day. The second reason is that there is huge unemployment; huge underemployment. It is primarily because 50 per cent of our population is today illiterate.

Again, it is a very sorry state of affairs that this country has not been able to abolish or eradicate illiteracy even fifty years after independence.

With no education, it is difficult to develop any skills which can be marketed. A person cannot be a part of the labour market without education. Whatever little seasonal employment he can get in rural areas, he manages. But, most of the time, he has to do without any job, without any employment. He has to starve.

There is another reason for such extreme deprivation: natural calamities. Failure of monsoons, extreme conditions of drought and havoc caused by floods cause migration of a lot of people in search of jobs, in search of food and in search of shelter. We can see hundreds of people crowding near railway stations migrating from areas where there have been flood havocs, where there have been droughts, where monsoons have failed and where no agricultural labour is required. These people who go to nearby metropolitan cities have no other recourse to survive, but to feed themselves, by begging.

There are also some social causes. If we look at the religious ethos of the country, in the Hindu religion, the concept of fate, the *karma* imposes that a person has to suffer for his past sins. There is no incentive to improve one's position; a person resigns himself to his fate, to his poverty, to his extreme deprivation. There are also parts of the country where begging—surviving by going door to door—has been glorified in certain religious texts.

There is also the status of women, particularly widows. We all know what happens to them. In order to survive, they have to beg and try to get two square meals. Also, it has been mentioned in the objectives of the Bill that there are organised gangs which are exploiting children, particularly in cities. Children are kidnapped; sometimes they are maimed and they are made to beg in the city streets. It is a serious problem.

The census indicates that there are probably over ten lakh beggars but the reality could be even worse. It is very difficult to accurately determine how many people have to beg, perhaps not habitually but because of extreme circumstances, because there is no alternative. Therefore, if we want to really get rid of this abhorrent practice of begging, the causes which make people to beg have to be eliminated.

First of all, we have to pay sufficient attention to education in this country. We will have to reach full, cent per cent literacy level as soon as possible. Only when we get to a point where there is no illiteracy can we then begin to improve the quality of education. Then, we can think of imparting some skills which can be marketed. We can give them some vocational training with which they can either start their small enterprises or offer themselves for organised sector jobs. It is unfortunate that even after fifty years of independence, we have not been able to eradicate illiteracy.

Commissions after Commissions and experts after experts have given their reports, important among them being the Kothari Commission which has submitted its Report in 1964 stating that this country should spend at least six per cent of its Gross National Product on education. But even today we have not gone beyond 3.5 per cent. The 'Education For All' summit which took place in this country a few years back has committed that India will after the end of Ninth Plan period be able to spend that kind of money on education.



When we are considering this Bill when we want to abolish beggary, when we want to abolish poverty, when we want to abolish extreme deprivation and when we want our people to live like decent human beings, as a nation we will have to resolve to eradicate illiteracy within a short time, if possible before the end of this century. Many schemes like adult illiteracy schemes, National Literacy Mission are working well in some parts of the country. Particularly, Mr. Chairman, in your own State the schemes have made a great impact. But in many other States, particularly in the BIMARU States of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh, the schemes have not made any significant impact. The literacy levels are very low, particularly the literacy levels of females. That is the important reason for extreme poverty. We will have to completely overhaul our system of education which is degree based and not knowledge based. We will have to vocationalise the system totally so that people do not run after degrees like B.A., B. Com and other degrees in humanities which do not give them any marketable skill but only a piece of paper which has no worth in the job market. If we change our education system drastically, orient it towards vocational education, I am sure the problem of extreme poverty could be alleviated to a great extent.

The next point is empowerment of women. During the last ten years there has been a great awareness that unless women are made economically independent, unless they are involved in political decision making, unless power is devolved to women, unless they are made literate, unless their burdens are removed, this society cannot progress. The country cannot economically progress. We have in this Parliament taken steps to empower women. The late Rajiv Gandhi had a great idea when he had introduced 33 per cent of reservation for women in Panchayati Raj system. This Parliament enacted a Constitutional Amendment and we are beginning to see some impact at the grassroots level. With empowerment of women, with the improvement in their economic conditions, the problem of extreme poverty, which ultimately results in people having to beg, would be reduced.

My next submission is that we will have to ban child labour. The Constitution has promised that children between the age group of 6 and 14 will be given compulsory free education within ten years of the framing of the Constitution. But we are nowhere near achieving that goal. There is an initiative by this Government that they want to bring the education of children between the ages of 6 and 14 as a fundamental right. I congratulate this Government on that. But it will not be suffice just to speak about lofty ideals. In practical terms, we will have to see that every child gets compulsory education at primary and secondary stage so that they are not forced to enter into child labour or child beggary whether it is by organised gangs or by parents, who need their children to beg to survive.

Sir, the country has also to create a social safety net so that when the people get old and are not able to earn their living, they get the benefit of some old-age pension,

some safety and some security.

In the organised sector and in the industrial sector, there is a concept of a safety net. There are pension schemes, gratuities, provident funds, but what about the agricultural workers? As it is, they do not have sufficient employment throughout the year. But when they become old, there is absolutely no security for them. There is absolutely no way by which they can even survive. So, this country will have to create a safety net. It will cost a lot of money; it will need great political will power to create a safety net or some kind of a social insurance scheme or some kind of an old age insurance scheme which is all encompassing—it includes everybody—people in rural areas, people in backward areas, people in *adivasi* areas and not only in the urban areas. If we are able to create, say—old people's homes—then, I am sure the need to beg, when people become old or when their children do not look after them, when they are driven out of home and forced to beg, would not be there. This will need a substantial political will power and it will need money; only wishful thinking that we should abolish beggary will not yield the results that the Mover of this Bill wants to achieve.

Therefore, while I compliment Dr. Subbarami Reddy for bringing this Private Member's Bill whose objectives are laudable, it is quite impractical to abolish beggary by enacting a legislation. Beggary cannot be outlawed; poverty will have to be outlawed. We have to conquer poverty; we have to eliminate poverty; only then the evil practice of begging, whether it is organised by gangs, whether it is the case of children begging in the streets, whether it is an urban or rural people or agricultural labour, can be abolished. They indulge in beggary for survival, to get two square meals a day because they cannot get work. There is no social safety net. This can only be eliminated when this country gets rid of extreme abject poverty which is existing today.

I, therefore, support the Bill, but I request the Mover of this Bill to thoroughly change it. The only provisions in this Bill are not themselves sufficient to achieve the objectives. At the same time, I congratulate Dr. Reddy for having focussed the addition or the focus of the country on the problem of beggary. I also urge upon the Government to take up certain issues like that of social safety net for rural workers. The Government is bringing in a Bill for agricultural labour. It is a welcome step. They will have to give this rural population some kind of a semblance of a social safety net or some security; only then can we go into the 21st century with our heads held high. I support the Bill.

THE PRIME MINISTER (SHRI I.K. GUJRAL): Sir, by chance I am here now. My friend has made a reference regarding the Agricultural Workers' Bill. I welcome his suggestions. We have been, as a matter of fact, addressing ourselves to this issue for some time now.

It is a sad comment, on the Indian political system, if I may say so, that fortunately or unfortunately, as yet, the State Governments have not responded. We have



[Shri I.K. Gujral]

them twice. I must assure you that so far as the Central Government is concerned, we do understand and appreciate the agony of the agricultural workers, as you have rightly pointed out. It is by chance that I am here in this House at this particular moment, when I heard my friend saying this. I do feel that ultimately the poorer sections of our society are the agricultural workers and landless labourers. They are the people who need a network of security and they should be given. The Central Government is considering this matter—it is under our consideration. I would urge all my fellow-Members in this House to try to persuade the State Governments and also to respond, primarily because ultimately whatever laws we make here in this context will have to be implemented by the State Governments.

And I think since all of us are feeling concerned about it, both that side and this side, if we exert our influence on our respective State Government—I am not trying to blame any party, I am not trying to run down any party. That is not the issue. These are issues on which national consensus should build and national consensus should be there. I can only assure you that Government of India will be very responsive and very sensitive to this issue.

[Translation]

SHRI VIJAY GOEL (SADAR DELHI): Apart from security, what other assistance will be given.

[English]

MR. CHAIRMAN: This is about Agricultural Workers Bill. We should be thankful to the Prime Minister for his intervention. Thank you, Mr. Prime Minister.

Shri Raza Singh Rawat.

[Translation]

PROF. RASA SINGH RAWAT (AJMER): Mr. Chairman, Sir, I support the Abolition of Begging Bill, 1996 moved by Dr. T. Subbarami Reddy as it seeks to focus our attention to a great social evil of begging. The socio-economic disparities and prevalence of begging in our society has given rise to organized gangs which kidnap children, maim them and at times throw acidic solutions over them leaving them handicapped so as to put them on four wheeled carts begging throughout the day and the sum collected is kept by the gangleader. Men, Women children can be seen begging at bus stands, railway stations and at the points where the cars and buses stop before the redlights. May be they have been pushed to begging due to famine conditions as social disparities or they have been befallen on bad days as they could not get any employment. Our society is responsible for all this. We call ourselves a welfare state then it is the responsibility of the Government to check such evils in the society. But unfortunately some people have opted for begging as a profession. When the death of beggars is reported in the newspapers he come to know that they had thousands of rupees which they collected by way of begging but did not spend on themselves. The begging is a social evil and should be removed.

Any form of begging is a curse to society. But unfortunately there is a wide gap between the poor and the rich and people living in rural areas and J.J. colonies are pushed to begging on which a poet has aptly remarked.

*"Swano ko milta doodh, bhukhe balak akurate hein,  
maan ki chhati aa chipak, sisak sisak reh jate hein"*

On the one hand dogs are getting milk, getting cake to eat and on the other hand children are weeping with hunger. When parents cannot tolerate their hunger then they are compelled to handover them to someone for begging or themselves go for begging to feed them. They are compelled to live with their mother with empty stomach. Such sort of disorders crop up in the society.

*"Vubhukshit kim no karoti papam"*

a hungry man can commit any sin. Hunger compels a man to beg. How the situation of hunger arises, we must go in that in detail. So that economic disparity is removed, social disparity is removed, every individual gets work, every piece of land gets water, every one gets food, if we can provide all this and if we can provide food, clothing and housing to all Indians then perhaps this begging will not be there. Begging problem is everywhere ...(Interruptions) Hon'ble Pilot saheb is saying something, he knows this. There are certain castes, I don't want to raise fingers towards castes but begging becomes their profession. On each morning they go to villages for the purpose of begging, they can be called 'Jarampesha', earlier they were called criminal tribes etc. or there are some such castes, I don't want to name them, but begging becomes their profession. In our villages they are called 'Kanjar' caste or 'Sansi' caste, I am sorry to name them but this is social evil. This social evil must be eradicated and that is why I support the Bill presented by Dr. T. Subbarami Reddy.

This Bill has three-four features. In this Bill very big responsibility comes on government being a welfare Government, welfare state. On the one hand there will be receiving centres in every district, where this type of begging children are there, whether they are old aged or of any other age group, handicapped or lame, wherever they are found begging, they all will be arrested by the police. Police will have the right to arrest them or the social service people will take them to those receiving centres where they will be kept. They will be kept in some sort of arrest. Conditions and arrangements will be made at those receiving centres for their rehabilitation according to the works which can be done by them and this will be the arrangement of the government. The Government will frame such schemes, in every district, will introduce such work, profession through which beggars may make efforts to become self-dependent, they must learn a particular work, profession, employment and earn as per their requirements. Therefore efforts will be made for making them self-dependent in those receiving centres.

There is one more provision in this Bill if someone compels for begging as I have said in the beginning that

such gangs have cropped up in the society, which compel children for begging ...*(Interruptions)* I am saying the something. Chennithala saheb is saying something.

SHRI RAMESH CHANNITHALA (KOTTAYAM): Cut it short, there is next Bill also.

PROF. RASA SINGH RAWAT: I am cutting short but I must complete my point, which is there in this Bill. All points of this Bill must be there.

Such begging gangs which after kidnapping the children, exploit their compulsions compel them for begging. Punishment for such persons has also been provided there, which I consider is a very good effort, such criminal gangs, playing with the lives of human beings, must be dealt with sternly. There is provision of a fine of rupees 500 also. First they will be given a warning that they must not indulge in such acts and after that this penalty will be imposed on them.

Besides there is provision of arrest by the police also and welfare fund will be setup for the beggars. Government will make its contribution in beggar welfare fund from consolidated fund and state governments will also made their contribution. Provision will be made for the welfare of beggars, for the education of their children, for construction of houses for them, for their food from the Beggar Welfare Fund. In this regard rules etc. will also be framed, rules will also be framed for rehabilitation.

In addition to this, arrangements would also be made for providing foodgrain items, support and safety to the old, handicapped, destitutes and helpless persons so that these people do not fall prey to beggary.

Our heads bow with shame when we see poor mothers, children, sisters, daughters carrying small kids in their arms and begging at the major cross roads when the motor vehicles stop at red light even in the capital Delhi. It is not a matter of pride for any country any society and for all of us. Therefore, for eradication of begging a provision has been made for setting up a welfare fund and I think that this is a good provision and this would not cost more. A census was conducted in 1971 to assess the number of beggars in the country and nearly ten lakh beggars were identified. Efforts have also been made to reform them by admitting in the Beggars Welfare Centres run by the Social Welfare Department. But as the saying is in urdu 'Maale Muft-Dile Beraham' which means if one gets anything free of cost, then a tendency to get more and more with labour will develop. There is also a saying in Rajasthani 'Muft ka mile Rey Maal, Koon kamave laal. It means that if one gets anything free of cost, then who would like to toil hard. Therefore, in such a situation there is a need to enact a legislation to check such tendency as the number of beggars is increasing rapidly.

It is the duty of a Welfare State, society, competent people, social welfare institutions, donors and on humanitarian ground it is also our duty to make efforts to check the social evil of begging so that it is not spread in the society.

With these words, while supporting this Bill I would like to make one more point. Our poets have also written on the subject of begging:

*Maangan Maran Samaan Hal, Mat Kol Maange Bheekh*

*Maangan sey Maran Bhala, Yeh satguru ki seekh.*

It means begging is like attaining death. Hence, no one should beg. It is better to die than to beg. That is what a guru preaches. The society and our sages also have always made efforts to check begging but we should note that in ancient times basically it was connected with religion. To inculcate a sense of sacrifice among the people and to avoid a sense of egotism in them, a brahmachari had to undergo Yagyopaveet Sanskar and after that the person used to go out for begging. The society had to look after his food and education requirements as available in Gurukul system of education. But today the crisis has cropped-up in another way.

SHRI P.R. DASMUNSI (HOWRAH): Even then you people have used filthy language against Dharendra Brahmachari.

PROF. RASA SINGH RAWAT: It is not like that. Now it has turned into an evil. A Sanyasi, Saint, Sage comes to our house for begging. He renounces his desires, materialistic world, children wealth and everything, whether he becomes a clergy or sage and he starts working for the welfare of the society. He shows right path to the society, he leads the society towards the path of 'Dharma' and he preaches shastras in the society. If any Saint or Sage comes for begging, it is his 'dharma'.

SHRI P.R. DASMUNSI: That is why Chandraawami was harassed so much.

PROF. RASA SINGH RAWAT: You people know more about it as he was very close to you people. The main objectives were good. Kabir has written—

*Virah kamandal Kar Liya, Valraagi Do Nain*

*Maange Daras Madhukari Chhake Rahe Din-rain.*

It means he has attained freedom from worldly desires and delusion and always want to remain engrossed in darshan of Parampita Parmatma, God. The union of Atma-Parmatma was altogether a different matter but today's version of begging is a social evil and an economic imbalance and hence a provision has been made in this Bill to eradicate begging and it will hardly cost Rs. one-two crores.

With these words, I congratulate Subbarami Raddyji for introducing this Bill aimed at removing the social evil. The Welfare Minister has come now. I would also like to request him to contemplate on eradication of begging and to take necessary steps to punish those professional beggars who kidnap children and throw acid on their faces so that they look in pathetic condition and to make them start begging and to set up beggars Welfare Fund and beggars Welfare Centre.

[English]

SHRI RAMESH CHENNITHALA (KOTTAYAM): Chairman, Sir, at the outset I would like to congratulate Dr. Reddy for having brought this very important Bill before the nation through this august House. We would be celebrating the 50th year of our independence. It is heartening to note that during these 50 years we could not achieve the goals that we had set at the time of our Freedom Movement. Giving food, cloth and shelter to all was the slogan. It attracted crores and crores of Indian youth in our country. Today we are on the threshold of the twenty-first century. We could not achieve these objectives because of many reasons. I do not wish to go into all of them but I would say that the basic reason is the practice of begging.

Begging is a universal phenomenon even in the Western countries. Even in the developed countries, this practice is prevalent. As a developing country we definitely have to attend to this problem. As a civilized society we would have to try our level best to curb the practice of begging. My hon. colleague Shri Chavan has rightly pointed out that first of all we would have to address to this problem. We would have to find out as to why people take to begging.

I think poverty is the root cause of it. When a person has no other way of livelihood and he is in utter poverty, he takes to begging. So, the practice of begging can be abolished by abolishing poverty. We have a number of programmes for the eradication of poverty. Every year we are spending about Rs. 8000 crore on JRY. Through the Public Accounts Committee meeting we came to know that the money is not going to the people and the schemes are not achieving the desired objective. No employment generation is taking place through these schemes in the villages. Can a poor country like India afford Rs. 8000 going waste every year? The middle man is taking away the money from this *Yojana*.

We have a number of problems. Unemployment is one of the burning problems of our society. Have we given a serious thought to solve this problem of unemployment? Under-employment is another problem. These problems are the root cause of the practice of begging. If we wish to stop the practice of begging we would have to address to this problem. A self-respecting man would never go for begging. A person would go for begging as a last resort. So, I would say that the circumstances force people to go for begging. If there is a devastating flood, people would migrate to other places. Similarly, in case of drought people would migrate to other place. If in a particular year the crop is bad and the farmer has no other means of livelihood, he would go to other place in search of work and if he does not get enough employment opportunity there, definitely he would go for begging. This is the practice that we witness in some of our villages.

It is all the more important to note that there are organised gangs which take away children, make them blind and use them for taking alms from people. These organised gangs are exploiting our children and forcing them to collect

money. As per the census of 1971, there are 10 lakh beggars in our country. There should be some mechanism to rehabilitate them. As rightly pointed out by my esteemed colleagues, the root cause of begging should be found out and attended to. At the same time, those who are practising begging should be rehabilitated. Some kind of mechanism for that should be evolved so that people who are engaged in these activities are rehabilitated. We should create awareness. Education is the most important activity for creating awareness among people.

In the fiftieth year of our independence, half the population of our country is still deprived of proper education. Illiteracy is one of the main hindrances in our development. Illiteracy among women is a very serious problem and it should be attended to immediately. The National Literary Mission is spending crores and crores of rupees. I would like to know whether this money is being utilised properly in eradicating illiteracy from our country. I would like to know whether we are involving our non-governmental organisations effectively and seriously in attending to these problems, giving proper education to our people, raising the literacy rate in our country, eradicating poverty and creating awareness in our country so that we are able to stop this kind of uncivilised practice of begging.

I would like to conclude by saying a few words about child labour which is evident in different parts of the country. We can see that children employed in carpet industry and in match factories are exploited unscrupulous people. This should be stopped. This is also a type of exploitation which we can see in our country. No country can afford to have its younger generation begging. No civilised country can allow this. No civilised society can tolerate this.

I congratulate Dr. Subbarami Reddy for bringing this very serious issue before this august House.

[Translation]

DR. LAXMINARAYAN PANDEY (MANDSAUR): Mr. Chairman Sir, the hon. Welfare Minister of a Welfare State was here; he might have gone somewhere.

[English]

MR. CHAIRMAN: He is coming in a few minutes. He took my permission before leaving.

[Translation]

DR. LAXMINARAYAN PANDEY: Sir, this Bill is directly related to the poor and have-nots of the society but some persons have made it their business to exploit their poverty. Their innocent children are lifted from their houses and are maimed or blinded after inhuman torture. After that, they are forced to adopt begging as an occupation. It is a social evil and social crime. All possible measures should be taken to check this evil and for this purpose a machinery should be set up. The State Governments should also share responsibility alongwith the Union Government. No doubt, several measures have been taken to uproot such evil but these measures are ineffective unless a proper and powerful machinery is set up for this purpose.

Sir, my colleague Shri Ramesh Chennithala was stating that the illiteracy is one of the basic reasons for begging. The daughters of illiterate women are also illiterate and unemployed. Today, when we are celebrating Golden Jubilee of our Independence, about 60 per cent of our people are living below the poverty line. Imagine as to how we are going to meet the common necessities of the people of our society! Unless the people are made socially aware, we shall not be able to meet those requirements under any scheme. We should launch some sort of assured employment scheme or any other scheme for this purpose, but unless there is awareness in the society, we shall not be able to fulfil them. Unless the society has participation in such schemes, no scheme can be successful.

As Shri Rasa Singh Rawat has stated, in old days, the people had good feelings for begging because begging was not for begging's sake then, it was a means to fulfil one's responsibility. People thought that they should help a disabled and destitute. There was a social feeling behind it. But today, it is taken otherwise. People of criminal background are conducting begging as an organised trade. There are two types of people involved in it. The first type of people are involved in criminal activities and the second type of people are those who run the trade of begging. Both are indulging in these practices. I want that the Union Government as well as the State Governments should be alert in this regard. In financial memorandum of the Bill, some suggestions have been extended for the State Government as to what they should do in this regard, how they should spend money and the amount they should spend from their respective consolidated funds.

Sir, you are well aware that the State Governments have taken some steps in this direction. Besides, as per the provisions made, a fixed share obtained from the sale proceeds of farmers' goods in the market is contributed for beggars and shelterless. But that amount is also not utilised properly and it does not reach the intended beneficiaries who want to utilise it. We would like this evil to be uprooted. Action should also be taken to bust the rackets operating in this field.

I would not like to speak on clauses mentioned by Shri Rasa Singh Rawat. Sir, hon. Welfare Minister is sitting here. If there is any shortcoming, he should remove it and pass it unanimously. We have to uproot this evil either by constructing shelter homes for shelterless, by constructing juvenile homes or setting up centres in districts for them. We have to identify persons also who are involved in this evil and operate through rackets. We have to punish them but we should help those who deserve our help.

We are the citizens of a Welfare State and we have to face many hurdles. We should make progress by removing these hurdles. We should discharge our responsibilities if we have not done so in the past. If we want to differentiate human beings from animals, we should help those who want to lead a better life and be instrumental in their endeavour, otherwise there are many people who

are bound to lead a beastly life. Some people are involved in criminal activities and lift babies and train them for begging. They should be punished. I would like the Government to set up an effective machinery for this purpose. I would also not like to repeat the points already made.

If there is any shortcoming in this Bill, this evil can be uprooted by bringing forward a comprehensive Bill. Uprooting this evil is very necessary. With these words, I support this Bill and conclude my speech.

[English]

SHRI SRIBALLAV PANIGRAHI (DEOGARH): Mr. Chairman, Sir, thank you for giving me an opportunity to speak on this Bill. There are some Bills which sound very nice, very good but in practice, they are really difficult from the point of view of implementation. In fact, they are not capable of being implemented in our situation. I think this Bill comes under that category. This is not for the first time we are talking of a provision like this. In fact, as I come to know, in at least, 18 States and Union Territories, there are legislations available; there are legislations in force for abolishing beggary. But what is the net result? Has in any part of India, actually, beggary disappeared? In no part of our country, beggary has disappeared. Whatever might be these legislations already passed, they are in our statute books. But in reality, they are not being implemented, in fact, they are not implementable.

When I talk of begging, I am reminded of one thing. Gandhiji once visited Puri. Puri is famous for two things. The world famous Jagannath temple is there. There are also very beautiful sea beaches. In Puri, before the Jagannath temple, there are a large number of beggars. They are always there. You know, our beggars generally choose all religious places for their begging, for their livelihood.

There is an appeal to their religious sentiments. Those who visit temples, shrines, religious places, etc., immediately after *darshan*, etc., give some alms to them.

Gandhiji was so much touched by the poverty and that was also one reason for his decision to go in for the loin cloth he used to put on. In Puri, looking at the beggars before the temple, he thought that in a country like India where when adject poverty like this is there, when people are not getting even one meal a day, what is the use of putting on this type of dress? This is the background for his decision.

Sir, that is not today, but as back as in 1920, even the British Government tried to enact a legislation for abolishing beggary in Mumbai. They also thought that this gave a very bad scene and sight where foreign tourists were coming. It does not present a good picture. Even during the time of British India, it happened.

As a matter of fact, by and large, as it is existing today,

[Shri Sriballav Panigrahi]

It does not give any pleasure for them to resort to begging. Of course, begging is the outcome of offshoot of abject poverty. About 90-95 per cent of the total beggars take to begging under circumstances created by poverty. Sometimes, it is because of very old age. Parents do not take care of them. They are very, very poor people. Agricultural labourer, this and that do not have any property to fall back upon any income. Their sons and daughters do not take care of them. Hence they are driven to begging. Further, some children are also coming from very, very poor families.

[Translation]

SHRI AMAR PAL SINGH (MEERUT): Mr. Chairman, Sir, time prescribed for this Bill is over now. Please allow me to move my resolution since only five minutes are left.

[English]

MR. CHAIRMAN: We cannot do that. We have to complete this Bill.

[Translation]

SHRI AMAR PAL SINGH: Hon'ble Chairman, Sir, only five minutes are left. My Bill can be moved. Discussion on this Bill can also continue.

[English]

MR. CHAIRMAN: The time allotted for this Bill is two hours. We have not taken even half of the time. So, we should allow them to speak.

(Interruptions)

17.55 hrs.

(MR. SPEAKER in the Chair)

SHRI SRIBALLAV PANIGRAHI (DEOGARH): The children belong to very poor families and the parents also cannot feed them. In many cases, they are also forced to go for begging. In some cases, there are middlemen, touts and undesirable people, I would say, anti-social people who are also encouraging these things. They are sending these children to foreign countries particularly to Saudi Arabia during the Haj period, etc. They leave them behind.

I have come across some very frightening reports. There are some gangs whose income is about Rs. 20 crore from this profession. The hon. Minister can look into it. For example, in West Bengal, there is a big gang. ... (Interruptions)

[Translation]

PROF. RASA SINGH RAWAT (AJMER): I request that he may please be given two minutes time.

[English]

SHRI SRIBALLAV PANIGRAHI: This is something that has to be seen very carefully. ... (Interruptions)

MR. SPEAKER: Without disposing of this Bill how can we do it?

(Interruptions)

[Translation]

SHRI AMAR PAL SINGH: I shall be grateful to you if you get my Bill moved otherwise it will lapse. I requested for it in the morning also.

[English]

MR. SPEAKER: It will not lapse. It will be there. You do not worry about that.

(Interruptions)

[Translation]

MR. SPEAKER: It has come in the ballot for 8th August.

[English]

SHRI SRIBALLAV PANIGRAHI: Sir, I was saying that these gangsters are earning about Rs. 20 crore a year from these child beggars.

I would like to mention about the article in the *Hindustan Times* dated 20th March, 1997, titled "New Delhi child operators earning." This is very frightening and very disturbing. Please see that a racket is at work and they are sending children abroad. This business is going on.

There is no purpose in enacting a number of Bills. We have so many beautiful legislations. India is not lacking in legislations. But, in fact, due to the situation prevailing sometimes the implementation is very tardy. What about child labour? What about the Anti-dowry Act, etc.? The Government of India in the Ministry of Social Welfare has a scheme to control this begging. But what is the financial provision? Three or four years back Rs. 20 lakh was given annually. This money is given to some States for arranging some vocational training, etc. Now, Rs. one crore is allotted in one year. But even that amount has not been spent. This amount has not been given to some States. However, some States have taken the money, but they have not fully utilised this amount. There is a half-hearted approach. There should be a sincerity and seriousness in talking this problem.

I do not like to make a long speech. So, naturally tackling this problem amounts to tackling the problem of poverty.

18.00 hrs.

So, that can be done. Also, social awareness should be created. There should also be educational facilities made available for children of all groups belonging to all types of families. Why I say that is because these poor families cannot send their children or wards to schools unless there are arrangements made for their boarding, lodging, etc. So, that should also be taken care of.

Secondly, if we give the benefit of irrigation in rural areas and if round the year we have crops one after another, that also keeps a large number of people engaged. The uneducated youth can then find employment near their homes in their own areas.

Thirdly, due to poverty, the people in their old age are not taken care of by their children. So, there should be old-age homes for these poor people and also orphanages for the children. For that, adequate financial provision should be made and some assistance should be given to the States ...*(Interruptions)*

MR. SPEAKER: Are you concluding or will you take some more time?

SHRI SRIBALLAV PANIGRAHI: I am concluding, Sir ...*(Interruptions)*. I have to bring about some more points but for today I conclude here.

18.01 hrs.

*[English]*

#### STATEMENT BY PRIME MINISTER

##### NAGALAND PEACE TALKS

THE PRIME MINISTER (SHRI I.K. GUJRAL): Sir, this august House is aware of the history of insurgency in Nagaland.

The fratricidal confrontations amongst the various Naga groups and the State authorities have led to loss of life, seriously disturbed the public order and thwarted the economic development of the State. The people are fed up with the violence and yearn for peace.

Soon after assuming office, I had visited Nagaland and other States in the North-East. I had reiterated Government's willingness to hold talks without any prior conditions with the underground elements.

In talks with the Issac-Mulvah group of the National Socialist Council of Nagaland, it has now been agreed to cease fire for three months with effect from 1st August, 1997 and initiate discussions at political levels.

Government are also in touch with the other insurgent Naga groups which also have committed to suspend their activities.

MR. SPEAKER: Let me congratulate the Prime Minister, The Government of India, the Government of Nagaland and also the leadership of the NSCN for the positive steps being taken for restoring permanent peace in Nagaland and the North-East.

SHRI RAJESH PILOT (DAUSA): Sir, let me share your feelings that you have conveyed to the hon. Prime Minister but let me also put on record that such channels had been open earlier also. Whatever channels we had to be in touch with some of these people, they had a feeling that there is no sincerity in the follow up action ...*(Interruptions)*

MR. SPEAKER: I think we need not discuss it now. It is a positive thing and I think let us not...

*(Interruptions)*

SHRI RAJESH PILOT: So, I request the Prime Minister to do it with sincerity. I congratulate the Prime Minister for a very positive step.

There are two special things that have happened, hon. Prime Minister, during your regime today. First, a very good news that you have given about Nagaland and, second, a very hurting news. At six o'clock, the Bihar Government is being sworn in, which is very hurting for a democracy. I think it has hurt every democratic person. So, this also I thought I should point out here.

*[Translation]*

DR. LAXMINARAYAN PANDEY (MANDSAUR): The Statement given by Hon'ble Prime Minister is very encouraging and it will definitely go a long way in solving this problem. The Nagas considered themselves alienated due to the feelings of mistrust. I had an occasion to go there. They say that you are Indians. They think that we are Indians and they are different. I think that there are many problems, the study of these show that they are not ready for infrastructure even. We said that if rail lines were laid, there would be development. They said that they did not require these and that they were all right without them, in their present condition. I think that the Prime Minister had himself gone there and after that an agreement was signed. That is good for us. I thank the Prime Minister for that.

*[English]*

SHRI MADHUKAR SARPOTDAR (MUMBAI NORTH-WEST): Sir, I thank you very much for giving the opportunity. I congratulate the hon. Prime Minister for having initiated the talks with the Naga people. I hope that whatever arrangements that have been made by the hon. Prime Minister will continue and whatever understanding that has been reached will be honoured by all concerned and peace will prevail out of this understanding. Thank you.

SHRI PABAN SINGH GHATOWAR (DIBRUGARH): I congratulate the hon. Prime Minister for the step he has taken for bringing back peace in the North Eastern region. In Assam also there are lots of killings in the recent weeks. There are so many killings of military and paramilitary personnel and civilians also. I will request and urge upon the hon. Prime Minister to initiate the same thing in Assam also so that peace and tranquillity come and people can breathe peacefully.

MR. SPEAKER: The House now stands adjourned till 11 A.M. on Monday, July 28, 1997.

18.06 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, July 28, 1997/Sharavana 6, 1919 (Saka)*

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