

(c) Periodic meetings of the Indo-Mauritius Joint Commission (JC) are held to improve economic relations between the two countries. The VIIIth meeting of the JC took place in Mauritius on February 3-5, 1997. GOI also endeavours to improve trade relations with Mauritius by way of : (i) Exchange of industry and trade delegations, (ii) Holding of exclusive Indian exhibition/fairs. (iii) Holding of periodic official level bilateral discussions to resolve bottlenecks. (iv) GOI, have also signed a Avoidance of Double Taxation Agreement with Mauritius, in order to facilitate economic relations.

(d) and (e) During the current financial year, GOI offered credit lines to Sri Lanka and Vietnam for US\$ 30 Million and Rs. 90 crores respectively.

(f) and (g) The details of external assistance from bilateral donors are available in the External Assistance Brochure 1994-95, published by Ministry of Finance. Copies of the Brochure are available in the library of the House.

[English]

Performance of India Security Press

1203. SHRI V. PRADEEP DEV : Will the Minister of FINANCE be pleased to state :

(a) whether there has been decline in production performance of India Security Press, Nasik from 1992-93 to 1996-97;

(b) if so, the reasons therefor; and

(c) the steps taken to increase its production performance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c). India Security Press (ISP) is engaged in manufacture and printing of various security/postal items like passport, non-judicial stamps, chequebooks and postal stationery. The production performance of ISP has not been on the decline except in postal stationery items; this is because of diversion of capacity towards manufacture of critical items like chequebooks/non-judicial stamps.

Stock Market

1204. SHRI BRIJ BHUSHAN TIWARI :
SHRI KUNWAR SARVARAJ SINGH :
SHRI CHITTA BASU :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are satisfied with the behaviour of stock market;

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

(c) the reasons for the erratic behaviour of the stock market and the role of foreign investor in this regard; and

(d) the steps being taken by the Government to prevent such fluctuations and to develop the confidence in investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The main concern of Government policy is to ensure that stock markets operate in an 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.

(c) There are various factors which effect 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, developments in international capital markets and speculative activity. The transactions of Foreign Institutional Investors (FIIs) in the Indian stock market are governed by SEBI (Foreign Institutional Investors) Regulations. Investments by FIIs are limited to a ceiling of 24% of the paid up equity capital of a single Indian company under the portfolio route. Besides, FIIs are allowed to transact in Securities only on a delivery basis. In view of these factors, it may not be appropriate to attribute the fluctuations in the stock market to transactions by FIIs.

(d) Securities and Exchange Board of India (SEBI) is keeping a close watch on the functioning of the stock market and has been taking measures from time to time under the provisions of the SEBI Act, Rules and Regulations for promoting the orderly development of the market, for preventing malpractices and for safeguarding the interest of the investors.

[Translation]

Non-Banking Institution

1205. SHRI R.L.P. VERMA : Will the Minister of FINANCE be pleased to state :

(a) the number of non-banking institutions functioning in the country as on January 31, 1997, State-wise;

(b) whether the Government propose to introduce a Bill seeking the discontinuance of non-banking institutions;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) As reported by Reserve Bank of India (RBI), State-wise