

**Development of Cryogenic Engine at ISRO**

5004. SHRI SURESH PRABHU :  
SHRI S. RAMACHANDRA REDDY :  
SHRI MULLAPPALLY RAMACHANDRAN :

Will the PRIME MINISTER be pleased to state :

(a) the amount allocated and spent by the Government so far for the development of Cryogenic engine at ISRO;

(b) the present status of the project;

(c) whether the Government propose to make any review in this regard in view of the Russian willingness to supply Cryogenic engine;

(d) if so, the details in this regard; and

(e) the progress made by ISRO to launch third generation communication satellite?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY (SHRI YOGINDER K. ALAGH) : (a) Government have approved the indigenous cryogenic upper stage project at an outlay of Rs. 335.89 Crores. Expenditure upto March, 31, 1997 was about Rs. 150 Crores.

(b) Significant progress has been made in development of cryogenic upper stage. The design of the engine is completed and realisation of the engineering model is under way. The detailed design of the stage is completed. The facilities required to fabricate and test the engine and stage are in the advanced stage of readiness. A one tonne class pressure fed cryo engine has been successfully developed, which gives confidence for the realisation of the larger engine.

(c) and (d) The development of the indigenous cryogenic stage was necessitated due to the stoppage of technology transfer from outside. There is no change in that scenario even now. Russia is only supplying stages. The development of the cryogenic stage is progressing as planned.

(e) The third generation communication satellite (INSAT-3) series characteristics have been defined. Construction of the first spacecraft in the series will start in the financial year 1997-98. Four satellites in this series have been projected for launch during the 9th Five Year Plan.

**Educational Training to Unorganised labourers**

5005. SHRI P.V. RAJESHWAR RAO : Will the Minister of LABOUR be pleased to state :

(a) the details of the schemes started by the Government to provide education and training to the labourers of the unorganised sector in the country, especially in Andhra Pradesh during the last three years, year-wise alongwith the details of expenditure incurred in this regard.

(b) whether the Government proposes to set up Institutes on the pattern of Industrial Training Institutes (ITIs)

exclusively for street children poor in the traditional arts and crafts of India;

(c) if not, the reasons therefor; and

(d) if so, the time by which these will be set up alongwith the details of objectives and funds likely to be made available in this regard?

THE MINISTER OF LABOUR (SHRI M. ARUNACHALAM) : (a) to (d) The information is not readily available and is being collected.

**Pending cases in Labour Courts**

5006. SHRI RAJABHAU THAKRE :  
SHRI KRISHAN LAL SHARMA :

Will the Minister of LABOUR be pleased to state :

(a) whether the condition of labour courts in the country is very unsatisfactory;

(b) the number of cases pending in Labour courts State-wise as on March 31, 1997;

(c) the details of cases cleared during 1996-97, State-wise;

(d) details of new labour courts proposed to be set up during 1997-98 and targets for clearance of cases, State-wise.

(e) details of action plan worked out in consultation with the States to clear the mounting backlog of cases;

(f) whether any assistance provided to the States to deal with the problem effectively; and

(g) if so, the details thereof?

THE MINISTER OF LABOUR (SHRI M. ARUNACHALAM) : (a) to (g) The information is being collected and a statement will be laid on the Table of the House.

[Translation]

**Loans/Investment in Shares of Reliance**

5007. DR. HARI SINGH :  
SHRI ILIYAS AZMI :

Will the Minister of FINANCE be pleased to state :

(a) whether investment is made by banks/financial institutions in private companies/public sector companies by purchasing shares or by giving loans;

(b) if so, the investment made by the bank/financial institutions in all the companies of Reliance group of industries by purchasing shares or giving loans;

(c) whether all such loan have been recovered; and

(d) if not, the details of the balance amount of loan institution-wise/ bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) Reserve Bank of India (RBI) have reported that banks are permitted to invest their surplus funds in shares

debentures of corporate bodies, units of mutual funds and bonds issued by Public Sector Undertakings (PSUs). As per current policy, banks are free to invest in preference shares and non-convertible debentures of corporate bodies and bonds issued by PSUs without any ceiling. Such investments have, however, to be taken into account for arriving at the prudential exposure ceiling. Investments in ordinary shares, convertible debentures and units of mutual funds are subject to the ceiling prescribed by RBI. As per current instructions, investments in these securities in a year should not exceed 5% of the incremental deposits of the previous year.

Such investments made by banks are monitored by the Board of Directors of banks in accordance with the guidelines laid down by RBI. Company-wise information is not maintained by RBI.

[English]

### External Commercial Borrowings

5008. SHRI VIJAY GOEL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have announced some changes in the External Commercial Borrowings recently; and

(b) if so, the details of the guidelines issued in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) A Press Release dated 31st March, 1997 issued by Ministry of Finance containing changes made in ECB policy for the year 1997-98 is enclosed as Statement.

#### Statement

*Ministry of Finance Department of Economic Affairs*

#### PRESS RELEASE

#### ECB Policy - 1997-98

In June, 1996, Government had announced comprehensive guidelines on ECB Policies and Procedures aiming at increasing the transparency in policy and simplifying the procedure to give Indian Industry easier access to external finance to support investment and economic activity.

2. Government have reviewed the existing policy and decided to modify the guidelines as follows, in the light of experience of the past year and emerging priorities;

- I. At present, ECBs for Power, Telecommunications and Railway Sectors, are permitted to be used for rupee expenditure. It is proposed to extend this flexibility to cover the following infrastructure sectors also :

- (i) Roads (including bridges)
- (ii) Ports
- (iii) Industrial Park; and

(iv) Urban Infrastructure (Water Supply, Irrigation, Sanitation and Sewerage projects as defined in Section 80 IA of Income Tax Act, 1961).

II. Holding companies/promoters will be permitted to raise ECB upto a maximum of USD 50 million equivalent to finance equity investment in infrastructure projects. This flexibility is being given in order to enable Domestic investor in infrastructure projects to meet the minimum domestic equity requirements.

III. At present interest rate limits on ECB for project financing allow interest spreads upto 350 basis points above LIBOR/US Treasury. In order to give borrowers greater flexibility in designing a debt strategy, it is proposed to allow upto 50% of the permissible debt in the form of sub-ordinated debt at a higher interest rate, provided the composite spread for senior and sub-ordinated debt taken together comes within the project financing limit.

IV. Corporate borrowers able to raise long-term resources with an average maturity of 10 years and 20 years will be allowed to use the ECB proceeds upto USD 100 million and USD 200 million respectively without any end-use restrictions i.e. for general corporate objectives excluding speculative investments in stock, markets or in real estate. To be eligible for this purpose, the debt instrument should not include any "put" or "call" options potentially reducing the stated maturities. The total debt allowed through this window will be within the overall limit of the borrower's entitlement for ECB.

V. Corporate borrowers will be permitted to raise ECB to acquire ships/vessels from Indian ship-yards.

VI. The present scheme allowing exporters to borrow upto the level of their average export earning for the past three years subject to a maximum of USD 15 million without end-use restriction will be liberalised as follow :-

Exporters will be permitted to raise ECB upto twice the average amount of annual exports during the previous three years subject to a maximum of USD 100 million without end-use restrictions, i.e. for general corporate objectives excluding speculative investments in stock markets or in real estate. The minimum average maturity will be three years upto USD 15 million equivalent and seven years for the balance amount exceeding USD 15 million. The maximum level of entitlement in any one year is a cumulative limit and debt out-standing under the existing USD 15 million exporters scheme will be netted out to determine annual eligibility.