

conference that we had between the Confederation of the Indian Industries and the Defence Ministry. We are waiting for the Reports. We will take a decision as soon as those reports come.

[Translation]

SHRI CHETAN CHAUHAN : Mr. Speaker, Sir, demand for weapons is increasing in the country, especially for small weapons. In comparison to weapons made in our country, people prefer foreign make weapons, even if they are old and banned ones. Through you, I would like to know from the hon. Minister as to what the Government is doing to improve the quality of such weapons in our ordnance factories? As has been stated, talks are going on to induct foreign technology in this field. If so, what is the progress in this regard and the time by which improvement is expected? The situation in the country is that market of weapons is increasing because of extremism and deterioration in law and order situation in many parts of the country. People buy weapons because of security reasons but the difficulty is that these weapons are not of good quality. I want the hon. Minister to reply to these two points.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, adequate technology needed to improve the quality of small weapons is available in the country itself. Moreover wherever there is a possibility to improve, work in defence laboratories is going on. I do not think that we need foreign technology to improve the quality of small weapons. But if need is felt, we will certainly take steps in that direction.

[English]

SHRI PRITHVIRAJ D. CHAVAN : Mr. Speaker, Sir, the Minister has made a very important policy announcement today that he intends to give export orientation to our ordnance factories. I welcome the announcement and thank him for that. It is a fact that most of the forty and odd ordnance factories are working below capacity. They are working on the principle of cost-plus-manufacture which itself cannot produce efficiently and, therefore, exports are virtually ruled out. I would like to know from the Minister whether he will consider to completely overhaul the structure of ordnance factories and corporatise them on the lines of the public sector enterprises operating in the field of defence.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, we are working on the ideas that the hon. Member has just now enunciated. As and when the proposals are formalised, I shall come before the House or make an announcement.

[Translation]

SHRI DIGVIJAY SINGH : Mr. Speaker, Sir, sport of shooting is associated with the Defence Ministry. For the sport of shooting, rifles, air rifles, pistols etc. are needed for participating in international competitions. For this sport we need imported goods. During the last fifty years we

have not been able to bring the level of our ordnance factories to international mark. This is the only sport which has brought gold medals many times for the country in international tournaments. This country has produced great international shooters from Karani Singh to Jaspal Rana. I want to know from the hon. Minister whether steps would be taken to ensure that guns, rifles, revolvers, air-rifles, air pistols are provided for the international shooting competitions at lower rates? Besides, there is shortage of cartridges and this item is also imported. I want to know whether arrangement for this would also be made in the country so that Indian shooters could earn a name for the country.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, we have already taken initiative in this direction and this matter will be decided shortly.

[English]

SHRI P. UPENDRA : Mr. Speaker, Sir, the Minister is talking about exports, commercialisation and all that but the immediate problem of the ordnance factories is that of modernisation and also replacement of obsolete machinery. Whereas ordnance factories demanded a lot of money for replacement of obsolete machinery, the current Budget has not provided that and there is a grievance on that count. Will the Minister consider giving the funds asked for modernisation of ordnance factories?

Secondly, as Mr. Minister has himself admitted, they are making so many things which are not supposed to be made by them, for which there is enough competition or enough units in the country. Will the Minister consider curtailing these products which are made by the Ordnance factories and confine them to the Defence sector?

SHRI GEORGE FERNANDES : Sir, the point that has been made by the hon. Member in his supplementary has been under consideration of the Ministry for a while. A Report on the possibility of modernizing and at the same time divesting oneself of some areas where one need not be, like for instance, in producing garments, etc. have been subjects of that Report. That Report is under consideration and soon we will take a decision on this.

So far as providing adequate funds are concerned, I do not think there will be any problem in providing funds as far as the needs of the Ordnance factories or the Defences Forces are concerned.

#### Duty Free Shops at International Airports

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\*325. SHRI K.S. RAO :  
SHRI ANNASAHEB M.K. PATIL :

Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether the Airports Authority of India (AAI)

has proposed to invite fresh bids for setting up of duty free shops at the International Airports in India;

(b) if so, the details thereof indicating inter-alia the particulars of the international airports for which bids are likely to be invited;

(c) whether Airport Authority of India had earlier accepted the bids from some foreign based companies which were at advanced stage of evaluation;

(d) if so, the details thereof and the reasons for inviting fresh bids; and

(e) the total amount likely to be earned by setting up of duty-free shops at International Airports ?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR) : (a) to (e) No fresh bids have been invited. However, Airports Authority of India (AAI) had received bids in response to an advertisement issued in 1995 for Consultants/Consolidators to assist the AAI for running Duty Free Shops at the five international airports. These have been examined but no final decision has been taken so far. The exact amount of revenue which the AAI would earn from these Duty Free Shops cannot be quantified at this juncture.

SHRI K.S. RAO : The hon. Minister has given an answer in which he has said that the Airports Authority of India (AAI) had received bids in response to the advertisement issued in 1995 for Consultants/Consolidators to assist the Airports Authority of India for running Duty Free Shops. Mr. Speaker, Sir, for bids offered in 1995, the Government is not in a position to take a decision, having decided to permit the people to start Duty Free Shops in India. It is known to everybody that millions of dollars of foreign exchange can be earned through Duty Free Shops. It is also known that in some of the Airports in the international arena like Dubai, Singapore and Hong Kong, millions of dollars of foreign exchange is being earned and Indian are going there only to purchase these commodities. It is a pathetic situation to see that for three years, the Government is not in a position to take a decision on this matter.

I wish to know from the hon. Minister – though I do not find fault with him for having taken charge now – whether at least he would wipe out the disrespect we have in the international community that this Government, this country cannot take a decision across the table or even act fast. Will you now come forward and make your machinery to act fast and take a decision in the interest of the nation ?

SHRI ANANTH KUMAR : Sir, I understand and appreciate the concern expressed by the hon. Member, Shri K.S. Rao. Even in our country at the international airports, the Duty Free Shops should be outforced so that our income can be spectacularly increased by the Airports Authority

of India. The issue of global tender is a lingering matter. Therefore, it is a question between the consolidatorship and the concessionership. There is a dichotomy in the perception. I am instituting a brief in-house enquiry regarding the inordinate delay and why this dichotomy in the perception has happened.

I entirely agree with the hon. Member that we should be resolving this problem and outforcing the Duty Free Shops for better facilities and for earning a lot of revenue for Airports Authority of India.

SHRI K.S. RAO : Sir, in his reply the hon. Minister has stated that 'The exact amount of revenue which the AAI would earn from these Duty Free Shops cannot be quantified at this juncture. I did not ask the exact amount. I had only asked the total amount likely to be earned by way of setting up of these Duty Free Shops.

Unfortunately, even the officers have not put their mind on this matter. Without knowing as to what would be the approximate revenue that would be generated from this how can a proposal be taken up ?

Sir, if the hon. Minister, Shri Jethmalani were to come forward with the repeal of the Act, he has to have an estimate.

MR. SPEAKER : The hon. Minister has already replied that he is going to enquire into the matter.

SHRI K.S. RAO : Sir, in the Ministry, every officer must have an assessment of what he is doing. If the hon. Minister says categorically to the House that he cannot say anything, that means obviously he and the officials are not taking to the heart even the questions put by the Members of Parliament.

I would request you to protect us. This is not just an affair of putting a question and getting an answer without any subject. I have not asked the exact amount. I have only asked the approximate revenue which would be earned by this. The hon. Minister or the officials of the Ministry are not even bothered to take to their heart the question put up by me.

I would like to know from the hon. Minister whether they have done any exercise in knowing the approximate amount of revenue, whether it is in lakhs or in millions or in billions. Does the Minister have any idea about this at all ? If the hon. Minister knows about this, why does he not tell that to the House ?

MR. SPEAKER : Shri Rao, please put your supplementary.

SHRI ANANTH KUMAR : I can answer only if there is a question in his supplementary.

SHRI K.S. RAO : Sir, in part 'C' of the question I have asked whether the Airports Authority of India had earlier

accepted the bids from some foreign based companies which were at advanced stage of evaluation. But there is no answer for this in the reply. They did not mention at what stage they are.

MR. SPEAKER : Shri Rao, what is your supplementary ?

SHRI K.S. RAO : Sir, I would like to have a categorical reply from the hon. Minister to this question.

MR. SPEAKER : So, a specific and categorical answer is expected from the hon. Minister.

SHRI ANANTH KUMAR : Sir, taking the question put up by the hon. Member to my heart in the real sense of the term, I would like to say that actually the present Duty Free Shops in five International Airports are run by ITDC with a turnover of Rs. 75 crore. Airports Authority of India is getting only Rs. 7.5 crore annually whereas the outforcing through these international and global tenders, the minimum licence fee per annum, we have specified in the tender format, is Rs. 50 crore per annum. Therefore, when it is Rs. 50 crore, it can be something more than that which we cannot contemplate.

SHRI K.S. RAO : It can be more or less, but what is the approximate amount ?

SHRI ANANTH KUMAR : This is the thing.

Secondly, in 1995 advertisements and bids called for on that count are, in a way, at a final stage. When they were floated, the advertisement was given for consolidation. But now, a new change in the policy has come and we are ready to give it for concessionership also. Therefore, I think, there is a requirement to renegotiate.

SHRI K.S. RAO : For more revenue !

SHRI ANANTH KUMAR : Naturally.

SHRI ANNASHEB M.K. PATIL : Mr. Speaker Sir, Shri K.S. Rao has very categorically asked two questions. This is one of the very important fields where India can earn a lot of foreign exchange.

More over, from the study conducted for the past five years, it has been seen that there were only 1500 items to be considered but now there are more than 50,000 items that are to be transacted. More or less, it has been found that the comparative price of the goods that are being dealt by ITDC are much cheaper than the goods they have now in other foreign countries' airports, such as Frankfurt, London, Singapore etc. Therefore, this is one of the very important fields where India can earn foreign exchange. Hon. Minister has already categorically stated that there are only five international airports of this category. Is there any plan to have more airports of this category to deal with the items of duty free shops ? This is my first question.

My second question is that. What is the plan before the Government or what are the steps or measures to be taken by the Government to enhance the revenue from duty free goods in shops at Airport.

SHRI ANANTH KUMAR : Firstly, as on today, we have got five International Airports. Many times, I have answered that five more are eminently qualified. We have got a few more airports where points of call have been given for international operation. We will examine the possibility of opening duty free shops in all such points of call. This is my first point.

Secondly, the only way to enhance the income of Government of India, that is, the Airports Authority of India through the duty free shops is, by better management, that is by giving these duty free shops for out-forcing.

SHRI A.C. JOS : The hon. Minister has been saying that he is having a very ambitious programme. Looking around the five International Airports that we have, I think his plan cannot work there because there is no decent space for any duty free shop. First, that has to be done. As a new venture and on the basis of the Companies Act, a new airport is coming up in my constituency, that is, Cochin. It is coming up very well. It is about to be completed. May I know from the hon. Minister whether the Airports Authority of India would get themselves involved into the construction of a bigger duty free shop in the international airport that is coming up in Cochin ? It is because only then some more money can be pumped in by AAI and construct a duty free shop in the new International Airport that is coming up in Cochin.

SHRI ANANTH KUMAR : An Expert Committee was appointed in 1996 and it studied this aspect of getting more space in the five International Airports. Other than 1626 square kilometres of space which we are already using for duty free shops being managed by ITDC, we have carved out another 1380 square kilometres of space in five International Airports for which we have gone for global tendering. This is one thing.

Regarding the senior hon. Member's query about Cochin Airport which is coming up, I think that is a very welcome suggestion because my view is also that our airports should not only earn revenue through aviation activities but also revenue through non-aviation aspects. Therefore, they should not only be embarking and disembarking platforms but they should also be having important centres, shopping malls and commercial transaction.

SHRI A.C. JOS : You can plan it even now.

SHRI ANANTH KUMAR : As he has rightly mentioned, duty free shops become a part of it. We will pro-actively consider and examine the possibilities regarding Cochin Airport.

SHRI N. JANARDHANA REDDY : Sir, the Civil Aviation Ministry is running duty free shops. Is it limited to air-

ports? Or is it free from duty also? I would like to know this from him. The other day, I had put a question and you were kind enough to direct the Minister to give the answer in writing because the time was over. So far, I have not received the Ministry's information though one month has already gone. With all that, I also understand Tirupati has paid Rs. 6 crore to the Airports Authority of India. I do not want a duty free shop there.

But I want the Minister to increase the frequency of flights between Tirupati, Chennai and Hyderabad. This I had asked, though it was not concerned with that question. Because he said 'duty free' I asked whether he is a 'duty free' Minister also!

MR. SPEAKER : I have no objection if he likes to respond to it.

SHRI ANANTH KUMAR : I am duty bound to the Constitution and to this House. Though it does not exactly come under the purview of this question. I am responding to the hon. former Chief Minister and hon. Shri Reddy's query. Regarding the airport at Tirupati and various airports in Andhra Pradesh I had a detailed meeting with the Chief Minister of Andhra Pradesh, Shri Chandrababu Naidu. He has been quite helpful and responding.

SHRI N. JANARDHANA REDDY : Are you consulting the Chief Minister for increasing the frequency of air flights also?

SHRI ANANTH KUMAR : I should place it on record that I appreciate the hon. Chief Minister of Andhra Pradesh. He came all the way to have a structured meeting with me regarding the upgradation of airports and also the aviation links in Andhra Pradesh. We are taking up a plan regarding the renovation of the Tirupati Airport and upgradation at a cost of Rs. 7.2 crore. Also, I am pleased to say that we are upgrading the Tirupati Airport, and will be commissioning it and giving it to the people before Andhra Day, that is, November 1, 1998.

Regarding more air links to Tirupati for having a *darshan* of Balaji, it is also under serious consideration.

#### Losses to Railways

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\*326. DR. SUGUNA KUMARI CHELLAMELLA :  
SHRI K.P. NAIDU :

Will the Minister of RAILWAYS be pleased to state :

(a) whether the Railways have incurred losses of crores of Rupees due to defect in Computer obtained for Ticket Booking during the last three years;

(b) if so, the details thereof zone/division-wise;

(c) whether any inquiry has been conducted in this regard;

(d) if so, the findings thereof; and

(e) the action taken in this regard?

THE MINISTER OF RAILWAYS (SHRI NITISH KUMAR):  
(a) to (e) A statement is laid on the table of the Lok Sabha.

#### Statement

(a) and (b) Railways have incurred revenue losses due to irregularities and defects noticed in Computer Based Ticketing Machines for issue of unreserved/season tickets. The details are as under :

- i) SEASON TICKET PRINTING SYSTEM (STEPS): This system was installed at Churchgate State of Western Railway. Irregularities were detected in the system during the month of September/October, 95, causing an approximate loss of Rs. 40-45 lakhs. The system has since been discontinued.
- ii) SELF PRINTING TICKET MACHINES (SPTMS): As a result of irregularities committed by the railway staff, the approximate loss of revenue on this account has been as under :

Railway	Name of the station	Approximate amount of leakage of revenue
Central	Pune, Bhandup and Bhopal	Rs. 34,000
Northern	Allahabad	Rs. 1.85 lakhs
South Central	Secunderabad	Rs. 1,660

(c) Yes, Sir.

(d) Enquiries were conducted in all these cases by multi-disciplinary committees of the railways. In one case relating to the fraud committed on Western Railway for issue of Season Tickets, enquiry was also conducted by the CBI. A Committee was also constituted by the Ministry consisting of officers from Commercial, Finance & Stores Departments to enquire into all aspects of functioning of these machines and make suitable recommendations.

The main finding in the enquiry conducted for Season Ticket Printing System on Western Railway was that design of the system was defective as it enabled an operator to manipulate the date files containing record of transactions due to lack of proper security procedures;

In the Self-Printing Ticketing Machines on Allahabad Station of Northern Railway the facility of grant of refund from any counter of the machines, which were not inter-linked for want of centralised accounting system, was mis-used by the booking clerks. On Pune, Bhandup and Bhopal stations of Central Railway, the booking clerk inserted a blank paper for manipulating the printer and saved pre-