

[English]

SHRI BASU DEB ACHARIA : We want to have Half-an-Hour Discussion on this. (Interruptions)

MR. SPEAKER : If the time permits, I will allow Half-an-Hour Discussion. . . . (Interruptions)

[Translation]

Inadequate Infrastructural Facilities

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*343. SHRI HARI KEWAL PRASAD :

SHRI DAROGA PRASAD SAROJ :

Will the Minister of FINANCE be pleased to state :

(a) Whether due to inadequate infrastructural facilities serious problems are coming in the way of Indian economy;

(b) if so, the details thereof and the steps taken;

(c) whether the Government have constituted any Expert Committee on infrastructural sector;

(d) if so, the recommendations of the Committee;

(e) the details of policies, schemes and programmes formulated on the recommendations of the said Committee; and

(f) the role given to the indigenous and foreign investors by the Government for the development of infrastructural facilities in the country ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (f) A statement is laid on the Table of the House.

Statement

(a) and (b) The availability of adequate and high quality infrastructure facilities provides the essential enabling environment for rapid overall development. Recognizing the growing need for sound infrastructure facilities and to meet the increasing demand for quality infrastructure, the Government has striven to design policies to encourage greater private provision of infrastructure services in ports, roads, power, telecommunications, urban infrastructure etc. to supplement public investment. A series of tax incentives and other concessions have been announced and regulations and procedures have been considerably simplified to facilitate investment in infrastructure services.

(c) and (d) The Government constituted the Expert Group on the Commercialisation of Infrastructure Projects in October 1994 to review the existing legal framework in infrastructure sector, to facilitate public-private-partnerships in financing of infrastructure projects and make recommendations for development of the capital market for

intermediating long term savings to infrastructure investment. The Expert Group submitted its Report in June 1996. The Report has focussed on the need for large investments in infrastructure and called for private participation to supplement public investment. The Expert Group has suggested policy reforms in select key sectors viz. urban infrastructure, industrial parks, power, ports, roads and telecommunication.

(e) Some of the recommendations of the Expert Group have already been implemented. These include the creation of the Infrastructure Development Finance Company, abolition of tax on dividends in the hands of the shareholder, abolition of CRR and SLR on inter-bank borrowings, permission to FIs to participate in the debt market, establishment of Telecom Regulatory Authority of India and Tariff Authority for Major Ports. The President has on 2nd July 1998 given assent to the Electricity Regulatory Commission Bill.

(f) Participation of both Indian and foreign players has been encouraged by a variety of measures including permission for private participation in areas hitherto reserved for the public sector, delicensing of coal, lignite and petroleum products and permitting automatic foreign equity participation upto 74% in key infrastructure areas including mining services, electricity generation and transmission, non-conventional energy and land and water transport. Projects coming under the purview of infrastructure are being given priority clearances by FIPB and upto 100% foreign equity is permissible in power, oil exploration and road construction on a Build-Operate-Transfer basis. Besides, infrastructure projects are eligible to avail of fiscal incentives such as tax holidays and concessional duties.

[Translation]

SHRI HARI KEWAL PRASAD : Mr. Speaker, Sir, the details which Hon. Minister have laid on Table of the House says that the Expert Group which was constituted in 1994 gave its report in June, 1996. I want to know the suggestions given on various points in that report. Are these on paper only or some action is being taken to implement them? You have conceded that those suggestions are being implemented. I want to know from the hon'ble Minister whether these are being implemented or these are still on paper only. Secondly, how many suggestions were given by the Expert Group?

Whether any time limit has been fixed by the Group so that these can be implemented within that period.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, in (e) part of the question, I have said in clear words as to what recommendations we have implemented. This is available with Hon. Member. But I would like to say that many of the suggestions given by the Group in 1996 have been

implemented by previous government as well as by this government. About external commercial borrowings we have told the companies, and to the promoters that :

[English]

There are 50 million dollars finance equity in substitute joint ventures. External commercial borrowings permitted to be utilized in rupee expenditure in infrastructure areas. Infrastructure Development Finance Company has tied up its equity capital. Telecom Regulatory Authority of India has been set up. Capital base of National Highway Authority has been improved. Policy on toll structure for national highways and other related issues has been announced. Tariff Authority for Major Ports has been set up. And the Presidential assent on the recently passed Electricity Regulatory Commission Bill has been secured.

[Translation]

Therefore, it is not that no action has been taken on the recommendations of the group. We have thought seriously on those recommendations and have taken action.

SHRI HARI KEWAL PRASAD : Hon'ble Minister has said the Government has encouraged investment on basic infrastructural facilities. I want to know as to whether you have made any arrangements to deal with the sanctions imposed by U.S.A. and many other countries after the nuclear explosions so that investment takes place?

Other countries after the nuclear explosions you have.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, as far as question of sanctions after nuclear explosion are concerned, whole House knows that only U.S.A. has imposed sanctions. No other country has imposed sanctions on this country and the House very well knows as to what is happening in regard to the sanctions. Through you, I assure the House that not even a single infrastructure project which is to be established in this country would be left due to ban and impact of ban would have no effect over them. We will ensure that every infrastructure project gets completed in this country. . . . (Interruptions)

SHRI LALU PRASAD : Mr. Speaker, Sir, I am not asking any question. I am on a point of order.

MR. SPEAKER : This is Question-Hour. In this, only questions are asked.

SHRI LALU PRASAD : Three months have passed but it is not yet known as to who will sit where because till now, seat allotment has not been made. . . . (Interruptions)

MR. SPEAKER : This is question hour. Please sit down.

SHRI DAROGA PRASAD SAROJ : Respected Sir, through you, I would like to say to the hon'ble Minister that infrastructural facilities are those which are needed for development of the country as well as are necessary for providing facilities to the citizens. Whenever infrastructural facilities are demanded from the government, answer come that sufficient resources are not available. Fact is that industrialist do not return the loans of the banks. Many business establishments are yet to pay excise duty arrears. People do not pay income tax. If the amount due is calculated that will come in crores of rupees. Due to corruption we fail to achieve our revenue targets.

Sir, I want to know as to what is the definition of infrastructural facility. You talk of removing unemployment and corruption. I want to ask you as to how these will be removed. Do you intend to remove unemployment and poverty. When banks give loans, question has just been raised. . . . (Interruptions)

[English]

MR. SPEAKER : Shri Prasad, you put your supplementary.

[Translation]

SHRI DAROGA PRASAD SAROJ : Mr. Speaker, Sir, I want to know what arrangements have been made for infrastructural facilities.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, actually the problem is that today the hon'ble Member has mixed question number one and question number two and has asked one joint question. Although question number one is already over, even then I would like to inform him that government is constantly making efforts to get desired revenue through different taxes and for this as I have earlier said, necessary steps are being taken. Of course the government provides funds for different projects but we have provided facilities to private sector also to come forward to invest specially in infrastructure and may implement their projects. However, keeping in mind the infrastructure needed for this country, the resources we provide every year for this sector are not sufficient, even though constant efforts are being made to bring those resources together and use them in right manner for basic infrastructure. We are working in that direction.

SHRI DAROGA PRASAD SAROJ : What are its appropriate standards?

[English]

SHRI P. CHIDAMBARAM : I congratulate the Finance Minister for affirming the intention of the Government that it fully supports the infrastructure reports and that it is serious about implementing them.

I also congratulate him for taking a number of steps in the Finance Bill to implement a few more recommendations of the Committee. However, I wish to draw his attention to an amendment that he has proposed to Section 10(23g) in the Finance Bill. Has his attention been drawn to that? Is he aware of the controversy that he has kicked off by that amendment? I am sure that the consequences were unintended but the consequences are quite devastating. But he has to ask his colleagues on his right and left who will tell him how the industry is seriously opposed to the unintended consequences of the amendment which has been introduced without considerable thought. I want the Minister of Finance to assure this House as well as his colleagues to his left and right that he is aware of the controversy and that he will resolve it when the Finance Bill is moved for adoption.

SHRI YASHWANT SINHA : I am grateful to him for having congratulated me for the initiatives that we have taken in this Budget especially on the infrastructure front and if I could go a little beyond the question, I would also like to say that apart from the initiatives that we have taken in the Finance Bill to promote infrastructure, we have increased the allocation for infrastructure by a whopping 35 per cent in this Budget, of which, I am sure, that the hon. Member is aware. It was 2.7 per cent in the Revised Estimates of last year which we have raised to 35.1 per cent in the Budget Estimates of this year. It has been a very depressed expenditure in the previous year.

About this 10(23)(g) to which the hon. Member has drawn my attention, my colleagues sitting on my left and right have also drawn my attention to it. Other people have also drawn my attention to it. Those representations are under my consideration and when we discuss the Finance Bill I shall come up with proper responses.

SHRI P. CHIDAMBARAM : Amendments.

SHRI HANNAN MOLLAH : Since 1991, all the Governments have been trying to lure the private investment in infrastructure, both foreign and domestic. They are given so many legal benefits also. But still the inflow of the investment in this area is not very much encouraging. I would like to know actually for how many projects the offer has been reached to the Ministry of Finance, waiting for clearance and how much fund is involved.

Secondly, the cost escalation is a major problem in the way of fast construction of our infrastructural build up. What steps the Government wants to take so that there is a time bound programme to complete the construction work within a fixed time? Again, responsibility should also be fixed to complete the projects within the time. So, these are the two questions.

The hon. Minister has mentioned about America's sanction. But Japan has refused to pay certain funds relating to certain infrastructural projects. I would like to know whether the Government will clarify the position.

SHRI YASHWANT SINHA : I will take up the last part of the question first. On Japan, we have a separate question in the list on Japan's 'OECD' and we could discuss it when we come to that question. The approval for infrastructural projects is dispersed over a range of Ministries in the Government of India, and various Ministries of the Government of India grant their own approvals. Now, recently, as the hon. Member would be aware, we have taken an important initiative and we have given this authority to the State Governments, for instance, to clear power projects including foreign participation up to Rs. 1,500 crore. So, such initiatives and such decentralisation of authority is taking place continuously so that decisions are not delayed.

This brings me to the next part of his question that often it has been our experience that we take such a long time in taking decisions that the project cost of a large project goes completely haywire even during the stage of sanction. Therefore, we are continuously streamlining the procedure in order to ensure that projects are sanctioned in time.

I will only mention, Sir, taking this House into confidence, about the so-called fast track power projects. Now, my colleague, the Minister of Power, has repeatedly said that the fast track power projects are a shame because they have been pending for five years. I would like to tell the House, Sir, through you, that recently I took a meeting where I invited the representatives of the State Governments, the IPPs, and the various other Ministries concerned. We all sat down to make sure that the pending issues were sorted out across the table and that the projects got off the ground immediately. It has already been announced that we shall give clearances, counter guarantees to all these power projects, for instance, before the end of this month. Now, this is the manner in which we are proceeding. Every time a case comes up where a large overrun has taken place either in terms of time or cost, that is something where we are insisting that responsibility must be fixed and the guilty must be taken to task so that project delays are cut to the minimum.

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, the industries of our country are in a bad shape due to their policies. No large scale industry has been set up in the country during last two years and the existing industries are also on the verge of closure. They are in a bad shape. On one hand, infrastructure is in bad condition. . .(Interruptions)

MR. SPEAKER : No please don't do that.

(Interruptions)

SHRI BHAJAN LAL : I know it and we have done it. You have brought us to ruin, whereas we have done constructive work. I would like to draw your attention to the position regarding power and roads in the country. Besides, you may take the instance of any country throughout the world whether it is U.S.A. or U.K., they impose anti-dumping duty to protect their own industries whereas such a safeguard is not available in our country. The Government keeps on raising the slogan of Swadeshi and is in favour of promoting indigenous products. Where is that spirit of promoting 'Swadeshi' now? . . . (Interruptions) The foreign companies are being promoted whereas the companies of our country are in a pitiable condition. Hence I would like to know from Hon'ble Minister as to whether he will impose anti-dumping duty and improve the infrastructure? Proper arrangements should be made to improve the position regarding power and roads. As you are aware that the economy of our country depends heavily on two sectors industry and agriculture. The agricultural sector will be discussed later on, however, as regards the industrial sector, I would like to ask as to whether anti-dumping duty will be imposed and infrastructure will be improved or not?

MR. SPEAKER : Bhajan Lal Ji, please put your supplementary question.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, Hon'ble Member has drawn the attention of the House towards a very serious issue and my esteemed friend and predecessor Finance Minister, Shri Chidambaram might have hesitated in saying so, because they were in power with the support of Hon'ble Member, but I do not feel slightest of hesitation in saying that so far as the state of affairs pointed out by Bhajan Lal Ji is concerned, the trend of deterioration in the industrial sector and in the infrastructure had started during the last year of Congress rule. The phase of economic recession which began due to their policies, strengthened its grip in the two year term of Shri Chidambaram. Hence, the Government has made several provisions in this year's budget so that the industrial sector and especially the infrastructure gets impetus. I would like to assure the House that we will definitely accelerate the economy.

I am a bit surprised that Bhajan Lal Ji has raised this question, because he is a very senior Member and has been a Cabinet Minister also. Although the issue of anti-dumping provisions is not linked with this question still I would like to submit that anti-dumping provisions exist in our country as well and recently, there have been many such cases in which anti-dumping duty has been imposed.

Whenever we feel that the cost of an imported item is below the cost of production, we impose anti-dumping duty on it.

SHRI LALU PRASAD : Sir, I would like to know from Hon'ble Minister. I won't make a speech but I have a question for him.

Sir, with regard to the infrastructural facilities like power, water and roads, I would like to know from the Hon'ble Minister whether the new Government has framed any such policy under which it proposes to set up power plants at the pitheads of the coalpits in the coal producing states? In this way, coal will be produced and power could be supplied to other states through National Grid. Has this point been taken into consideration or not? Second question is related to this very point that Hon'ble Minister hails from Hazaribagh.

The mines in Jharia, Dhanbad and Raniganj have been smouldering for years together. The precious property of the country i.e. coal is burning to ashes therein. Same is the case of methane, which is a pure cooking gas. When the Government is asking the State Governments to set up power plant, whether it proposes to invite foreign companies also to set up power plants there.

MR. SPEAKER : Laluji, you are giving a speech. Please put your supplementary.

SHRI LALU PRASAD : I am not giving a speech. I am simply guiding the Hon'ble Minister.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA) : Lalu ji, this is not a public meeting, this is Lok Sabha.

SHRI LALU PRASAD : I am aware of that. I was elected to this House in 1972 much earlier than you. There is a Foreign Investment Promotion Board in the Centre, however it is very rare that a project is cleared by it. The projects are rejected outright and that is why the states are suffering. Which measures are proposed to be taken to promote the states after doing away with the Foreign Investment Promotion Board and what steps are being taken to develop infrastructure to deal with the fire smouldering in Jharia, Dhanbad and Raniganj?

SHRI YASHWANT SINHA : Mr. Speaker, Sir, Laluji has made a very intelligent comment in part (a) of his supplementary question. The House should accept this suggestion. He asked as to whether the Government proposes to set up power plant at coal pitheads or not. I would like to assure the Hon'ble Member that Government is considering it quite seriously and we have decided upon this policy.

[English]

SHRI BASU DEB ACHARIA : The Standing Committee on Energy has already recommended.

[Translation]

SHRI YASHWANT SINHA : All right. They have also recommended it. All wise persons think alike.

SHRI MADAN LAL KHURANA : So do you believe that Laluji belongs to the same category as you?

SHRI YASHWANT SINHA : I consider Laluji to be a very intelligent person. He has given very good suggestions.

SHRI LALU PRASAD : I was not that intelligent earlier. Now I have learnt from people.

SHRIMATI BHAVNA DEVRAJBHAI CHIKHALIA : That is why Rabri Devi has been made the Chief Minister of Bihar.

SHRI YASHWANT SINHA : He has also stated that he is guiding me. I have been working under his guidance and will do so in future as well. Though I won't give Chiefministership to my wife. . . . (Interruptions) I would like to submit that this is our policy and we have taken several measures to implement this policy. One of the measures relates to the amount owed by State Electricity Boards to the N.T.P.C. and Coal India, it is proposed to utilise the amount of ten thousand crore rupees and borrow from the market in order to enable these undertakings to set up such projects at the earliest. He has also mentioned that the mines in Jharia, Raniganj and Dhanbad are smouldering. So far as I can remember, this issue was discussed in detail by the Minister of State of the Ministry of coal in this House. This matter is related to the Ministry of Coal. Laluji is well aware of what is going on there. Concern has been expressed in this regard. The steps that are required to be taken, are being taken. The methane is being consumed by fire not from today, this process has been going on not for the last three months but for years rather decades. It is important to control the fire and the present Government will take necessary steps in this regard.

[English]

I.T. Exemption to Voluntary Organisations

*344. SHRI C. GOPAL : Will the Minister of FINANCE be pleased to state :

(a) the number of voluntary organisations which got the Income Tax exemption through the National Committee for Promotion of Social and Economic Welfare during 1997-98;

(b) the State wise details thereof;

(c) the mechanism adopted by the Government to review the utilisation of funds by such organisations;

(d) whether any official from the Social Justice and Empowerment Ministry is associated with the National Committee for Promotion of Social and Economic Welfare for the selection of voluntary organisations; and

(e) if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The number of voluntary organisations approved by the Central Government on the recommendations of the National Committee for Promotion of Social and Economic Welfare during the financial year 1997-98 is 100.

(b) The State wise details thereof are as under :

States	Number
Assam	2
Andhra Pradesh	5
Bihar	1
Chandigarh	1
Delhi	4
Gujarat	30
Kerala	1
Karnataka	7
Manipur	3
Madhya Pradesh	1
Maharashtra	26
Nagaland	2
Rajasthan	2
Tamil Nadu	7
Uttar Pradesh	2
West Bengal	6
	100

(c) The approved institutions are required to maintain separate audited accounts in respect of approved projects and furnish status report every six months to the National Committee. The officials of the Secretariat also undertake on the spot verification in random cases.

(d) No, Sir.

(e) Does not arise.