

COMMERCE & INDUSTRY

Summary of Questions Asked

Issues related with Mumbai, particularly Commerce Ministry, brought to the notice of Ministry. Incidentally Salt Pan land belongs to Industry Ministry.

1) *Issues of Industries :*

Various issues of Diamond Textiles Industry were highlighted.

2) *Export Promotion :*

Issues related to export promotion was brought to the notice of the Government.

3) *Salt Pan Land :*

5379 acres of Salt Pan land of Industry Ministry is to be made available for the people of Mumbai. Government of India already decided to transfer it to Urban Development Ministry.

4) *Joint Cemetery :*

Efforts being made to make available Salt Pan land to help the development of a joint cemetery in Mulund East.

LOK SABHA

QUESTION NO 1987

ANSWERED ON 09.03.2001

AGREEMENT WITH CAYMAN ISLAND

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) Whether the Government have signed any agreement with Cayman Island to avoid double taxation and FDI from that Island;
- (b) If so, the details thereof ;
- (c) The total investment from Cayman Island in India during the last three years, year-wise;
- (d) Whether double taxation is hampering the trade with Cayman Island; and
- (e) If so, the steps taken or being taken by the Government to sign the treaty to avoid double taxation?

ANSWER

(a) & (b) No, Sir.

(c) The year-wise details of the total investment from Cayman Island into India during the last three years are as under:-

Year	1998	1999	2000	Total
Foreign Direct Investment Approvals (Rs. in Crore)	00.50	10.84	99.83	121.17
Foreign Direct Investment Inflow (Rs. in Crore)	Nil	Nil	17.38	17.38

(d) & (e) The foreign investment is dependent on several factors such as domestic economic conditions; policy regime governing foreign investment; world economic trends and strateg

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LOK SABHA

QUESTION NO 894

ANSWERED ON 28.07.2000

PERMISSION TO USE SALT PAN LAND FOR CEMETERY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Government of Maharashtra and Mumbai Municipal Corporation had requested Salt Commissioner at Mumbai to give NOC to use Salt Pan land for approach road for a Cemetery at Mulund East, Mumbai;
- (b) if so, the details thereof indicating the land required for this purpose;
- (c) whether the Salt Commissioner has asked for market value from Mumbai Municipal Corporation and State Government of this land;
- (d) whether the Government are considering the request of State Government to make available the approach road for this composite Cemetery; and
- (e) if so, the present position of the proposal?

ANSWER

(a) Yes, Sir.

(b) The Municipal Corporation of Greater Mumbai vide its letter dated 29.6.2000 addressed to Dy. Salt Commissioner, Mumbai has sought No Objection Certificate for land bearing CTS No.1291 (Pt) of village Mulund (E) admeasuring 300 Sq. Mtrs. (approx.) for the said purpose.

(c) No, Sir.

(d) & (e): Yes, Sir, as above.

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LOK SABHA

QUESTION NO 3929

ANSWERED ON 17.08.2001

DEVELOPMENT OF SALT PAN LANDS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Government have taken decision for development of Salt Pan lands in Mumbai;
- (b) if so, the details thereof;
- (c) whether the State Government of Maharashtra has shown interest in diverting this land;
- (d) if so, the decision of the Union Government in this regard;
- (e) the strategy being followed for the development of this land;
- (f) whether the Government have received any representation from Members of Parliament in this regard; (g) if so, the details thereof; and
- (h) the reaction of the Government thereto?

ANSWER

- (a) to (e): The Union Government has decided to transfer 5379 acres of surplus Salt Pan lands at Mumbai from the Department of Industrial Policy & Promotion to the Ministry of Urban Development & Poverty Alleviation to develop the same in cooperation with the Government of Maharashtra. It has also constituted a group of Ministers to examine the issues relating to utilization of surplus lands.
- (f) to (h): Yes Sir. Communication has been received from Shri Kirit Somaiya, Hon'ble Member of Parliament (Lok Sabha) suggesting utilization of salt land for mass housing projects, commercial exploitation, development of public amenities, resettlement of slums and development of marine mangrove part as Eco-tourism environment project. The suggestions made by the Hon'ble Member of Parliament would be kept in view by the Government while finalizing utilization of said surplus lands.

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LOK SABHA

QUESTION NO 1937

ANSWERED ON 09.03.2001

EXPORT OF GRAPES AND CHIKOO

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether export of grapes and chikoo from Maharashtra has been increased as compared to previous years;
- (b) if so, the details thereof and countries to which exports were made;
- (c) whether Agricultural and Processed Food Products Export Development Authority (APFPDA), has been imparting training to farmers for the new technique of production of grapes and chikoo; and
- (d) if so, the details thereof and the number of programmes conducted by APFPDA for training of farmers and to what extent this programme is likely to boost export of these items?

ANSWER

(a) & b): State-wise export statistics is not maintained and therefore the exact level of exports from Maharashtra could not be assessed and compared. The total exports of grapes and chikoo from the country during the years 1997-98, 1998-99 and 1999-2000 have been as follows:

GRAPES

Year	Qty (in M.Ts.)	Value (in Rs. Lakhs)
1997-98	23679	6452
1998-99	11382	3709
1999-2000	14005	5514

CHIKOO

Year	Qty (in M.Ts.)	Value (in Rs. Lakhs)
1997-98	2650	292
1998-99	1049	137
1999-2000	1572	243

Source: DGCI&S, Calcutta/APEDA, New Delhi.

The countries to which grapes and chikoos were exported from India include Bangladesh, Bahrain, Hongkong, Kuwait, Qatar, Saudi Arabia, Sri Lanka, the Netherlands, UAE and UK .

(c) & (d) : The Agricultural and Processed Food Products Export Development Authority (APEDA) has organised integrated training programmes for grapes in Maharashtra and for Chikoo in Gujarat during the last three years. The training programme includes adoption of better techniques relating to pre-harvest management, harvesting, post-harvest management and pesticide residue management in order to improve quality of production. A total of 10 training programmes for grapes have been conducted in Maharashtra and one for chikoo in Gujarat. These training programmes have generally helped in improving the quality of the produce and increasing the volume of exports.

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LOK SABHA

QUESTION NO 3004

ANSWERED ON 07.12.2001

FDI IN RETAIL TRADING

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Government are reconsidering its previous stand of not allowing FDI in retail trading;
- (b) if so, whether such decision has been taken on the basis of Mc Kinzee Report;
- (c) if so, whether the report has been considered seriously;
- (d) if so, the details of observations made in the report;
- (e) whether there is no WTO binding on India to open FDI in retail sector;
- (f) whether the Government have received representations, objections from Members of Parliament and different associations in this regard;
- (g) if so, the reaction of the Government thereto?

ANSWER

(a) to (d), (f) & (g) : The review of sectors and sectoral caps in regard to Foreign Direct Investment is an ongoing process and is undertaken in consultation with and based on the inputs received from the concerned ministries and departments. Representations and observations are being received from various quarters including from Members of Parliament and different associations regarding allowing FDI in retail trading. As per extant policy FDI in retail trade is not permitted.

The McKinsey Report entitled 'India - The Growth Imperative' examines several sectors of India's economy and suggests policy changes which would help accelerate growth. The study suggests that GDP growth of 10% a year is within India's reach.

(e) So far as the General Agreement on Trade in Services (GATS) is concerned India has not undertaken any commitment under distribution services.

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LOK SABHA

QUESTION NO 3876

ANSWERED ON 17.08.2001

EXPORT OF WHEAT AND RICE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) the quantity of wheat, rice and pulses proposed to be exported during the current year and targeted for next year;
- (b) the amount of foreign exchange likely to be earned therefrom;
- (c) whether there is expected downfall in the agricultural production;
- (d) if so, whether downfall would affect the local market and current stock;
- (e) if so, the details thereof; and
- (f) the steps being taken by the Government in this regard?

ANSWER

(a) & (b): The current export policy provisions for export of wheat, rice and pulses are as under:-

(i) Wheat: Exports are allowed freely subject to quantitative ceilings announced by DGFT and issue of Registration-cum-Allocation Certificates (RCACs) by APEDA. For the year 2001-02, an export ceiling of 5 million tonnes of wheat has been announced.

(ii) Basmati and Non-Basmati Rice: Exports are allowed freely subject to registration of contracts with APEDA. For the year 2001-02, export of 3 million tonnes of rice has also been permitted out of the stocks held by FCI for the Central Pool.

(iii) Pulses: Exports are allowed freely in consumer packs upto 5 kg.

It is not possible to estimate the likely quantum and value of wheat, rice and pulses that will be exported during the current year as the exports would depend upon international demand and supply position, domestic demand and supply position, international and domestic prices, consumer preference and varieties traded.

No targets have been fixed for next year.

(c) As per available information, the production of wheat, rice and pulses during the last 3 years has been as under:-

(Quantity in Million Tonnes)

Year	Wheat	Rice	Pulses
1998-99	71.29	86.02	14.89
1999-2000	75.57	89.48	13.35
2000-01 (Advance)	68.55	85.50	11.72

(Source: Directorate of Economics & Statistics)

(d) & (e): In view of the huge surplus of foodgrains available with FCI over and above the buffer stock norms the local market is not likely to get affected.

(f) Does not arise.

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LOK SABHA

QUESTION NO 3107

ANSWERED ON 16.03.2001

**INDUSTRIAL SUBCONTRACTING AND
PARTNERSHIP PROGRAMME**

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether a two day Conference was organized by Confederation of Indian Industry and United Nations Industrial Development Organization in New Delhi recently;
- (b) if so, the details thereof;
- (c) whether a new project to support the development of industrial subcontracting and Partnership (SPX) programme in electronics, computer software and telecommunication is ready;
- (d) if so, whether any review of progress of SPX programme was made since its establishment in 1998 in India;
- (e) if so, the details thereof;
- (f) the benefits so far derived to Indian industry from the SPX; and
- (g) the number of States where this SPX programme is in operation and number of States where this programme is likely to be introduced?

ANSWER

- (a) & (b) The 4th Meeting of the Steering Committee of the Indian Subcontracting Partnership and Exchange (SPX) Network was held on 17th February, 2001 in the premises of Confederation of Indian Industry (CII), New Delhi. This was followed by a one day seminar on 18th February, 2001. The progress of the project was reviewed including discussions on the requirements of SPX Network, of an India Web Portal and Trust.
- (c) to (g) The Government has not yet received the project proposal for an SPX programme in electronics, computer software and telecommunication from UNIDO. The progress of the SPX project is reviewed periodically by the Steering Committee constituted for this purpose. The SPX programme helps Indian small and medium scale manufacturers market their industrial products and services in National and Global markets by identifying and meeting the needs of domestic and overseas partners by providing links to some 50 SPXs established world wide. The SPX programme is in operation in New Delhi, Chennai, Bangalore and Pune. UNIDO is likely to launch two more SPX in Hyderabad and Ludiana.

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LOK SABHA

QUESTION NO 1361

ANSWERED ON 02.03.2001

NORMS FOR EXPORT ITEMS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Director General of Foreign Trade (DGFT) propose to set up an input and output norm for some new export items;
- (b) if so, the details thereof and norms so decided;
- (c) the details of the items for which the said norms have been set; and
- (d) the extent to which these norms are likely to be helpful to importer and exporter in the country?

ANSWER

(a) to (d) : The Duty Exemption Scheme under the Export and Import Policy allows import of Duty free inputs for export production of various export items on the basis of the Standard Input Output Norms (SION) published by the DGFT in the Handbook of Procedures (Vol.2). These Standard Input Output Norms (SION) facilitate issue of Duty Free Licences under the Duty Exemption Scheme speedily and on uniform basis to the exporters. In view of the rapid scientific and technological developments in the country and the changing international trade scenario, the exercise of standardisation and notification of Input Output Norms is a continuous and ongoing process. More than 4,500 Input Output Norms have been standardised and notified upto 31.3.2000 published in the form of Hand Book of Procedure (Vol.2). Further 279 new Norms have been fixed during the period from 1.4.2000 to 01.02.2001 and the same have been published from time to time vide various Public Notices in the Gazette of India Extraordinary Part-I Section-1.

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LOK SABHA

QUESTION NO 6053

ANSWERED ON 31.08.2001

REJECTION OF RICE BY IRAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) the names of countries to which rice is being exported from India;
- (b) the estimated quantum of rice being exported to these countries annually;
- (c) whether Iran and some other countries have returned the rice exported to those countries from India due to its poor quality;
- (d) if so, the details thereof, country-wise;
- (e) the estimated loss of foreign exchange to the Government and exporters respectively as a result thereof; and
- (f) the steps being taken by the Government in this regard?

ANSWER

(a) & (b): The total quantity and value of exports of rice (both basmati and non-basmati rice) during the last 3 years is as under:-

Year	Basmati rice		Non Basmati rice	
	Qty	Value	Qty	Value
1998-99	597793	1876.91	4365888	4403.85
1999-2000	638382	1780.34	1257793	1345.58
2000-01(P)	848919	2141.94	683194	784.16
Apr.-May,2001(P)	110960	340.08	79983	84.03

(Source: DGCI&S, Calcutta)

Country-wise details of exports are given in the monthly/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.

(c) No, Sir.

(d) to (f) : Do not arise.

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LOK SABHA

QUESTION NO 812

ANSWERED ON 22.11.2002

RELAXATION TO MNCs FOR FDI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Government have received representations/suggestions from US Government to give relaxation to Coca Cola, Pepsi and other companies;
- (b) if so, the details thereof;
- (c) the conditions laid down for multi-national companies to tap Indian capital market via Indian Public Offer (IPO);
- (d) whether many MNCs have approached the Government to give relaxation about IPOs;
- (e) if so, the details thereof;
- (f) whether SEBI, MPs and other organisations have urged the Government to make it compulsory to MNCs to go for IPO; and
- (g) if so, the reaction of the Government thereto?

ANSWER

- (a) & (b): Certain references were received from the US authorities regarding the divestment condition in respect of Hindustan Coca- Cola Holdings Pvt. Ltd.
- (c) Hindustan Coca-Cola Holdings Pvt. Ltd. was required to fulfill the divestment condition by way of Indian participation of upto 49% in Hindustan Coca- Cola Beverages Pvt. Ltd., its wholly owned subsidiary, over a period of five years, i.e., by 16.7.2002. As per this condition, Indian participation can be in the form of participation by individuals/joint venture partners or general public or both.
- (d) & (e): A few FDI enterprises had approached FIPB for relaxation of divestment condition which has not been agreed to. In the case of Hindustan Coca- Cola Holdings Pvt. Ltd., the company approached the Government for grant of extension of time to complete the divestment process indicating the steps taken / proposed to be taken by them for completion of the divestment exercise. Based on these submissions, the Government allowed extension of time to Hindustan Coca- Cola Holdings Pvt. Ltd. up to 28.2.2003 for implementing the divestment condition.
- (f) & (g): No specific proposal in this regard is under consideration of the Government.

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LOK SABHA

QUESTION NO 6282

ANSWERED ON 05.05.2000

**REMOVAL OF BAN BY US ON INDIAN INSTITUTION
FROM ENTITIES LIST**

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the US Government has removed some Indian institutions from entities list to which US exports were banned following the May 1998 nuclear tests;
- (b) if so, the details of such institutions;
- (b) the number of Indian institutions still continue to be on the list of entities;
- (d) whether any discussion has been held with US delegation in this regard during the visit of US President in India; and
- (e) if so, the outcome thereof?

ANSWER

(a), (b) & (c): A total of 51 entities have been removed from the List of Indian Entities. The details of such entities is in the statement laid on the Table of the House. More than 150 listed Indian Entities are still on the Entity List.

(d) & (e): Government has used every opportunity to convey to the US including during the visit of President Clinton, that all unilateral restrictions against India are unjustified and counter-productive and should be completely lifted. The US side has not indicated the timeframe for lifting the remaining restrictions.

STATEMENT IN RESPECT OF PART (a) TO (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 6282 FOR 5.5.2000 REGARDING REMOVAL OF BAN BY US ON INDIAN INSTITUTION FROM ENTITIES LIST.

ENTITIES REMOVED FROM ENTITY LIST

Ambarnath Machine Tool Prototype Factory Ambarnath Ordnance Factory Aruvankadu Cordite Factory Avadi Combine Engine Plant Avadi Heavy Vehicle Factory Avadi Ordnance Clothing Factory Bharat Heavy Electrical Ltd. (BHEL) Hardwar and Ranipet Bhusewal Ordnance Factory Chandigarh Ordnance Cable Factory Chandigarh Ordnance parachute Factory Combat Vehicle Research and Development Establishment (CVRDE) Cossipore Gun and Shell Factory Defence Bio-Engineering and Electro-Medical Laboratory (DEBEL) Defence Food Research Laboratory (DFRL) Defence Institute of Fire Research (DIFR) Defence Institute of Physiology and Allied Sciences (DIPAS) Defence Institute of Psychological Research (DIPR) Defence Institute of Workstudy (DIWS) Defence Research and Development Unit (DRDU) Defence Research Laboratory (DRL) Defence Terrain Research Laboratory (DTRL) Dehra Dun Opto-Electronics Factory Dehra Dun Ordnance Factory Dehu Road Ordnance Factory Hazratpur Ordnance

Equipment Factory Institute of Mathematical Sciences Institute of Physics Institute for Systems Studies and Analyses (ISSA) Interuniversity Consortium of DAE Facilities Jabalpur Gray Iron Foundry Jabalpur Gun Carriage Factory Kanpur Field Gun Factory Kanpur Ordnance Parachute Factory Kanpur Small Arms Factory Katni Ordnance Factory Khamaira Ordnance Factory Kirkee Ammunition Factory Medak Grey iron Foundry Medak Ordnance Factory Mehta Research Institute of Maths and Math Physics Naval Chemical and Metallurgical Laboratory (NCML) Ordnance Factories Staff College Ordnance Factories Training Institutes Proof and Experimental Establishment Saha Institute of Nuclear Physics Scientific Analysis Group (SAG) Shahajahanpur Ordnance Clothing Factory Tata Institute of Fundamental Research Tiruchchirappalli Heavy Alloy Penetrator Project Titlagarh Ammunition Plant Varangaon Ordnance Factory The Variable Energy Cyclotron Centre (VECC)

This is a revision not an all out deletion. Only two cities of this entity are being removed.

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LOK SABHA

QUESTION NO 926

ANSWERED ON 24.11.2000

SALT COMMISSION LAND

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Union Government have received a proposal from State Government of Maharashtra to jointly exploit the 5,5000 acres Salt Commission Land in Mumbai;
- (b) if so, the details of the proposal;
- (c) the decision of the Government on the proposal;
- (d) whether the land would be used for re-settlement of slums near the railway line for low income group housing; and
- (e) the present position of the proposal ?

ANSWER

- (a) Yes, Sir.
- (b) to (e): The proposals received from the State Government of Maharashtra are under consideration of the Government in the concerned Ministry.

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LOK SABHA

QUESTION NO 4018

ANSWERED ON 18.08.2000

RICHARDSON AND CRUDDAS

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:-

- (a) whether the Government have completed the enquiry of firing incident took place at Richardson & Cruddas Limited, Mulund, Mumbai last year;
- (b) if so, the details thereof;
- (c) the action taken by the Government against the guilty person;
- (d) whether the Workers' Organization has also lodged complaint against the higher management of Richardson & Cruddas;
- (e) whether the Government have received complaints regarding corruption, nepotism, favouritism against the management;
- (f) if so, the details thereof;
- (g) the action taken by the Government thereon; and
- (h) the steps the Government propose to take to improve the efficiency of the company and for the benefit of labour?

ANSWER

- (a) No, Sir.
- (b) Does not arise.
- (c) The officer has been placed under suspension.
- (d) to (f) Yes, Sir. The complaints relate to operation of site jobs, sub-contracting of jobs, recruitment of personnel in management cadre, etc.
- (g) An enquiry has been instituted.
- (h) Government has given various reliefs and concessions for successful implementation of the rehabilitation package sanctioned by BIFR in 1995 in respect of the company. The company turned around in 1996-97 with a profit of Rs.7.45 crore. Assistance is being given for securing of orders and also for raising funds for implementation of Voluntary Retirement Scheme (VRS) by way of giving Government counter guarantee.

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LOK SABHA

QUESTION NO 5217

ANSWERED ON 20.04.2001

**SUGGESTIONS MADE BY THE BOARD OF TRADE
TO ENHANCE EXPORT**

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether the Board of Trade has suggested some measures to increase India's competitiveness in the global market in the wake of lifting of quantitative restrictions;
- (b) if so, the details of the measures suggested by the BOT to increase India's share in world trade;
- (c) the steps taken by the Government to improve India's competitiveness to counter China in the world's market;
- (d) whether the India's trade and industry would be able to meet the challenges; and
- (e) if not, the steps taken by the Government in this direction?

ANSWER

(a) to (e) : The Board of Trade had recommended certain measures to make the Indian economy competitive. These include availability of raw materials at competitive prices, lowering of cost of power and cost of capital, strengthening of Special Economic Zones (SEZ'S), increased efficiency at the ports, computerization of offices to reduce transaction cost etc. The current set of export promotion schemes such as Advance Licence, Duty Entitlement Passbook (DEPB) Scheme and Duty Free Replenishment Certificate (DFRC) ensure that the raw materials for export products are made available at internationally competitive prices. The SEZ scheme provides for duty free imports/ procurement from DTA of goods/machinery for development and setting up of factories in the SEZ's including development of SEZ. DGFT and Custom Houses are being computerized to bring down the transaction costs. These steps are aimed at improving the competitiveness of Indian products in the international market.

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LOK SABHA

QUESTION NO 2927

ANSWERED ON 16.03.2001

WELDING AND CUTTING INDUSTRY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) whether an International Welding Conference 2001 was held recently;
- (b) if so, the details thereof and number of countries participated in the said Conference;
- (c) whether exports in Welding and Cutting Technology from India and abroad have formulated three pronged strategic action with a view to enhance technological expertise in the welding industry through international cooperation;
- (d) if so, the details thereof;
- (e) whether keeping in view the emergent requirement of cutting instrument in Gujarat earthquake, the Government propose to import cutting technology from the countries who actually participated in the earthquake; and
- (f) if so, the details thereof?

ANSWER

- (a) & (b) : An International Welding Conference was held from 15th to 17th February, 2001 at India Habitat Centre, New Delhi. It was jointly organised by the Indian Institute of Welding (IIW), a body of welding professionals and Confederation of Indian Industry (CII). Nine countries viz. India, Russia, UK, Sweden, France, Singapore, Australia, Brazil and Egypt participated in the conference. 85 papers on various aspects related to welding were presented by delegates representing Industry, Institutes and R&D centres.
- (c) & (d): It is envisaged to enhance international cooperation especially with ASEAN region, Australia and the International Institutes of Welding for mutual benefits.
- (e) & (f): Presently there is no such proposal under consideration.

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LOK SABHA

QUESTION NO 3097

ANSWERED ON 08.12.2000

WTO DISPUTE SETTLEMENT PANEL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:-

- (a) Whether the European Union has dragged India to the World Trade Organisation for establishment of dispute settlement panel to examine complaint against New Delhi investment regime in the automobile sector
- (b) if so, whether India has expressed serious disappointment over European Union's approach in seeking the intervention of the trade body;
- (c) the outcome of the complaint;
- (d) whether India has offered for settlement outside the World Trade Organisation ; and
- (e) if so, the details thereof?

ANSWER

(a) to (c) : The European Union has requested the WTO to establish a dispute settlement panel to examine the WTO inconsistency of India's auto policy regime. India has expressed its disappointment at EU's request and submitted that the measures referred to by EU are not inconsistent with India's obligations under the cited WTO Agreements. The Dispute Settlement Body has decided that the Panel established earlier to examine US's complaint will now jointly examine EC's complaint also.

(d) No, Sir

(e) Does not arise, Sir

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COMPANY AFFAIRS

Summary of Questions Asked

1) *Investors Education Fund :*

Due to consistent efforts now unclaimed dividend of Rs.115 crore have been transferred to Investors Education and Protection Fund. Activities to create awareness amongst small investors already started in Mumbai and other parts of the country.

2) *Preferential Private Allotment :*

Issue of abuse and misuse of preferential and private placement highlighted and got the rules amended.

LOK SABHA

QUESTION NO 6005

ANSWERED ON 31.08.2001

HFCL PARTICIPATION IN DISINVESTMENT PROCESS

Will the Minister of DISINVESTMENT be pleased to state:-

- (a) whether Department of Disinvestment has taken a note SEBI's preliminary investigation on present capital market scam;
- (b) whether the department had contacted SEBI and other investigating agencies;
- (c) whether one of the companies acting in Disinvestment participation i.e. HFCL has been named in the investigation;
- (d) whether Department of Disinvestment will allow HFCL to participate in disinvestment process;
- (e) if so, the reasons therefor;
- (f) whether any other company active in disinvestment process is also named in preliminary findings; and
- (g) if so, the action taken/proposed to be taken by the Government in this regard?

ANSWER

- (a) Yes,Sir.
- (b) Yes,Sir.
- (c)to(g) Guidelines have been issued on 13.7.2001 for the qualification of bidders seeking to acquire stakes in Public sector Undertakings (PSUs), through disinvestment.(Guidelines enclosed at Annexure 'A'). In the light of these guidelines, Advisors have been directed to verify whether any of the bidders attract the disqualification criteria. Disqualified Bidders will not be allowed to participate in any Disinvestment transaction.

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LOK SABHA

QUESTION NO 2409

ANSWERED ON 04.12.2001

DISINVESTMENT OF BPCL AND HPCL

Will the Minister of DISINVESTMENT be pleased to state:-

- (a) whether the Government has drafted a proposal for sale of Government stake in two oil PSU's Bharat Petroleum and Hindustan Petroleum;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the time by which the final decision is likely to be taken for their disinvestment?

ANSWER

- (a), (b) & (c) Disinvestment in Public Sector Undertakings is a continuous process. As a part of the process, Government keeps considering proposals for disinvestment in various public sector enterprises from time to time. The proposals are considered through Inter-Ministerial consultations and final decisions are taken. No decision has been taken in respect of disinvestment of Government held equity in HPCL and BPCL and in view of above no time-frame can be indicated.

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LOK SABHA

QUESTION NO 3437

ANSWERED ON 06.08.2002

FORMATION OF ASSETS MANAGEMENT COMPANY

Will the Minister of DISINVESTMENT be pleased to state:-

- (a) whether his Ministry and the Ministry of Finance are considering to form Assets Management Company for PSUs due for disinvestment;
- (b) if so, the details thereof;
- (c) the extent to which it is likely to strengthen the disinvestment process;
- (d) whether there is any conflict between his Ministry and Ministry of Finance over the issue; and
- (e) if so, the details thereof?

ANSWER

- (a), (b) & (c) The proposal for forming an Asset Management Company for Public Sector Undertakings slated for disinvestment is under consideration of the Government.
- (d) No, Sir.
 - (e) Does not arise.

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LOK SABHA

QUESTION NO 7055

ANSWERED ON 14.05.2002

WEIGHTAGE TO SMALL INVESTORS IN OPEN OFFER

Will the Minister of DISINVESTMENT be pleased to state:-

- (a) whether Department, SEBI, DOD has received any representations regarding giving weightage to small investors in 20% Open Offer Clause;
- (b) if so, the details thereof;
- (c) whether a small invest up to thousand shares or Rs.1 Lakh may be given weightage in open offer in dis-investment etc.; and
- (d) the opinion, observation and action taken by the Department in the matter?

ANSWER

- (a) Yes, Sir.
- (b) It was suggested that small investors should be given more weightage / preference / priority over the big investors i.e. small shareholders upto Rs. 1 Lakh or 1000 shares should be given priority over big investors. Effectively, it means that the shares tendered by the small investors be accepted by the bidder / acquirer and the remaining balance may be accepted from the big shareholders.
- (c)&(d) The matter was examined by Securities and Exchange Board of India. On examination, it was not found feasible to accept the suggestion regarding reservation for a class of shareholders in an Open Offer for the following reasons. Under the Companies Act, small shareholders are not treated differently from large shareholders. Such a measure may encourage investors to transfer their shares to their relatives and friends prior to an open offer and tender that number of shares under different names in order to get all their shares accepted. Further, SEBI has to keep in view the interests of all shareholders.

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LOK SABHA

QUESTION NO 5805

ANSWERED ON 25.04.2001

CLUSTERS SELECTED FOR UPGRADATION

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRY be pleased to state:-

- (a) whether the Government are implementing the scheme on technology upgradation and management called UPTECH since 1998;
- (b) if so, the details thereof;
- (c) the number of clusters selected for upgradation during the 9th plan in the country particularly in Andhra Pradesh and Maharashtra;
- (d) the total funds earmarked for upgradation of these clusters; and
- (e) the number of clusters, where the work has since been started and progress made so far?

ANSWER

- (a) Yes, Sir.
- (b) The scheme addresses all the common issues related to the technology upgradation of a cluster. It has scope for diagnostic study, setting up of common facility centres and new technology demonstration plants, training of workers/supervisors etc.
- (c) Out of 14 clusters selected for the 9th Plan, three are from Andhra Pradesh and one from Maharashtra.

The clusters selected are :

1. The Tile Industry Cluster along the West Coast, Kerala
2. The Bulk Drug and Formulation Industry in Andhra Pradesh
3. The Neem and Perfumery Industry at Kannauj
4. The Forging & Foundry Industry in Punjab & Andhra Pradesh
5. The Food Processing Industry Cluster at Chittoor in Andhra Pradesh
6. Small Scale Tannery Industry at Vaniyambadi, Tamil Nadu
7. The Pottery Industry Cluster at Khurja
8. The Toy Industry in Delhi and Noida
9. The Auto Component Industry at Pune, Chennai & Indore
10. The Lock Industry Cluster at Aligarh
11. The Stone Industry particularly in Rajasthan and Gujarat

12. The Glass & Ceramics Industry particularly at Firozabad & Khurja in UP and Managalore in Karnataka

13. Development of Clusters based on Herbal & Aromatics Plants at Jhalawar & Dholpur in Rajasthan, Badaun & Bhowali in UP and Ganjam in Orissa

14. The Trial runs on Hydrogenation Process for manufacturing of Speciality Oils & Solvents in Gujarat

- (d) An amount of Rs. 17.74 crores has been earmarked for all the clusters under the scheme for 9th Plan.
- (e) The implementation of the programme at different centres is at various stages.

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LOK SABHA

QUESTION NO 5068

ANSWERED ON 25.08.2000

MARKET VALUE OF SHARES OF PSUS FOR DISINVESTMENT

Will the Minister of DISINVESTMENT be pleased to state:-

- (a) whether a number of Public Sector Undertakings were earmarked for disinvestment over two years ago;
- (b) if so, the details thereof and the names of such PSUs which are targeted for disinvestment in 2000-2001;
- (c) whether most of these PSUs are fast losing their market shares;
- (d) if so, the value of market shares two years ago and the present value of market shares of these PSUs;
- (e) the reasons for not Disinvesting their shares;
- (f) the total loss suffered due to delay;
- (g) whether it has come to the notice of the Government that scripts of the PSUs which are due for disinvestment in future are being manipulated in the capital market and stock exchange; and
- (h) if so, the details thereof and the steps taken by the Government to monitor the scripts of PSUs to prevent such manipulation?

ANSWER

Minister of State of the Department of Disinvestment (Shri Arun Shourie)

- (a) to (h) Information is being collected.

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LOK SABHA

QUESTION NO 4970

ANSWERED ON 20.12.2000

REPRESENTATIONS FROM ASSOCIATIONS AND MP

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRY be pleased to state:-

- (a) whether Ministry has received representations from Associations and MP's to strengthen SSI units;
- (b) whether a large number of SSI units have been closed down;
- (c) if so, the details thereof, State-wise during the last three years; and
- (d) what are the problems of SSI and the step taken to support these SSI units?

ANSWER

- (a) Yes, Sir.
- (b) & (c): Information on closed SSI units is not maintained centrally. The Reserve Bank of India (RBI) however compiles data on sick small scale industries financed by the banks. The State-wise information on sick Small Scale Industries as provided by the RBI for the last three years is given in Annexure - I.
- (d) Major problems faced by the Small Scale Sector are inadequacy of working capital, delay in sanction of working capital and time gap in its disbursement, obsolete technology, infrastructure constraints, etc.

To address these problems and support SSI units, a comprehensive policy package for the development of Small Scale Industries has been announced on 30th August 2000. The policy package will enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loans upto Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure.

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LOK SABHA

QUESTION NO 4915

ANSWERED ON 26.04.2000

PRO ACTIVE POLICY FOR SMALL SCALE INDUSTRIES

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTRY be pleased to state:-

- (a) whether the Government is considering to formulate any pro-active policy for small scale industries to enhance their competitiveness;
- (b) whether any suggestion has been received from the Federation of Indian Chambers of Commerce and Industry in this regard; and
- (c) if so, the details thereof and the reaction of the Government thereto?

ANSWER

- (a) The Government has put in place several policy measures to help small enterprises become globally competitive. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications, marketing and timely information dissemination including sensitization of small industries to the emerging challenges of trade liberalization.
- (b) & (c): Yes, Sir. These suggestions mainly pertain to the setting up of Guarantee Funds for Small Scale Industries (SSI), Factoring Services, Escrow account mechanism for SSI receivables, applicability of labour laws to units employing more than 100 workers only and certain relaxation to the SSI Sector in relation to the Apprentices' Act. These suggestions, along with others received from other forums, have been duly considered while formulating the policy initiatives for promoting and strengthening of the small scale sector in the country.

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