

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) and (b) A consignment consisting of 55.4 Mts. of poppy seeds, Munacca, Badam Giri, Pista and textile material collectively valued at Rs. 69,98,060/- was seized by the officers of DRI Regional Unit, Amritsar at Attari Railway Station on 20.6.1998, on the basis of a specific information. This consignment which had arrived by Samjhauta Express on 18.6.1998 from Pakistan was intercepted by the Officers of DRI, Regional Unit, Amritsar on 19.6.1998, after these had already been cleared from the Customs areas. An receipt of certain complaints about the involvement of some Customs officers in allowing the clearance of these goods without proper duty & penal action, the investigations have been got conducted by the DRI/Directorate of Vigilance under CBEC. These investigations have revealed some prima facie complicity of some Customs staff posted at Attari Railway Station. One Assistant Commissioner of Customs and 9 officers of the rank of Superintendents & Inspectors have been already placed under suspension for their suspected complicity in the smuggling of said goods.

(c) Considering the various complaints alleging involvement of persons other than Customs officers, CBEC has made a request to the C.B.I. to take up the case for further investigations.

Downgrading of Indian Financial Institutions

2563. PROF. A. LAKSHMISAGAR: SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Standard and Poors, a New York based Rating agency has downgraded some Indian financial Institutions;

(b) if so, what are the details thereof;

(c) what are the reasons for downgrading of these Indian financial Institutions stating the implications involved; and

(d) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) In its press release of November 26, 1998, S & P has affirmed the long term foreign currency rating of IDBI, ICICI and Bank of Baroda at "BB" which is the same as India's sovereign rating. S&P has, however, changed the rating outlook for IDBI, ICICI and Bank of Baroda from stable to negative. S&P in its press release has mentioned that the outlook change reflects S&P concerns which inter alia include continued weakness in a number of key sectors, reduction in asset quality and increase in NPAs. It has expressed the combination of these factors will moderate the financial flexibility of Indian banks and financial institutions at a time when they are seeking to comply with more stringent capital and provisioning requirements recently announced by RBI. IDBI has, however, reported that this change in rating outlook has had only a marginal impact on secondary market trading levels.

(d) Does not arise.

Statement of Managing Director of World Economic Forum

2564. SHRI SANATAN BISI: SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether government's attention has been drawn to the statement of the Managing Director of the World Economic Forum (WEF) made at 1998 Indian

Economic Summit held recently at New Delhi that after seven years of economic reforms, India is almost back to where she stood in 1991 and there was need for new strategy for creating a proper climate for her growth; and

(b) if so, what is Government's reaction thereto and whether Government share the perception of Managing Director of the W.E.F. in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) A three-day 'India Economic Summit' was organised by the World Economic Forum in collaboration with the confederation of Indian Industries in New Delhi from November 29 to December 1, 1998. The Managing Director of the World Economic Forum made a presentation on the Indian Economy and presented an immediate and medium term agenda of Economic Reforms.

The Government's stand at the summit was that there was no reason for being unduly perturbed by the country's economy which is in good shape and that it was too early to make judgements regarding the annual performance of the economy. The economic policy of the country is stable and the process of economic reforms is going on.

Payment of Taxi/Scooter Charges to Persons living in Peripheral areas of Delhi

2565. **SHRIMATI SAROJ DUBEY:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have issued a clarification recently to the SR-46, whereby persons residing in the peripheral towns have been debarred for payment of taxi/scooter charges from the place of residence on holidays while on tour whereas employees posted in those places are getting HRA/CCA at the same rates e.g.; and

(b) whether Government propose to allow officials residing in places such as

Ghaziabad, Gurgaon, etc. as in the case of Faridabad to reimbursement of taxi/scooter charges when they go on tour from their place of residence on holidays; if so, by when and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) According to the existing orders, the population of the Urban Agglomeration, which is made up of a major city or town together with the adjoining areas of urban growth and is treated as one urban spread, is reckoned for the purpose of determining eligibility to CCA. On the other hand, the population residing with a Municipal Corporation/Municipality alone is taken as the basis for the classification of cities and towns for HRA. Therefore, the rates of CCA and HRA admissible in towns in the periphery of major cities are different even now.

Under the Travelling Allowance Rules, reimbursement of taxi/scooter charges for journeys on official tour is normally admissible only from the headquarters of the employees or their residences located at the headquarters to the railway station/airport/bus-stand and vice versa. The question of allowing such reimbursement to officials residing in peripheral towns, which are not their headquarters, does not, therefore, arise.

Upgradation of IES Officers

2566. **SHRI JOYANTA ROY:** Will the Minister of FINANCE be pleased to state:

(a) whether as per DOPT order dated 4th February, 1992 and different High Court, CAT and Supreme Court judgements, upgradation in same post with same duties and responsibilities does not indicate promotion;

(b) whether about 25 IES officers had been upgraded from Deputy Economic Adviser/NFSG to the scale of Rs. 18000-22400 keeping their duties, responsibilities and functions same; and