

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) It is difficult to compare the customer service available in the private banks *vis-a-vis* the service rendered by the branches under the State Bank of India, Local Head Office, New Delhi. However, S.B.I has reported that they are making all efforts to improve the customer service at their branches.

(b) There is no shortage of Rs. 10/—notes. However, L.H.O., New Delhi, has reported that there is shortage of small denomination notes namely, Rs. 1/— and Rs. 5/— owing to their restricted supply from RBI.

(c) and (d) S.B.I., L.H.O. New Delhi, has informed that they have issued instructions to their branches not to issue mutilated notes to the public. Moreover, mutilated notes are being freely exchanged and if any, nonissuable mutilated note is found in a packet, the entire packet is immediately replaced.

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Interest Burden on Government

1160. SHRI GOVIND RAM MIRI: Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that during the current financial year about 30% of Government's borrowings would meet interest costs alone; and

(b) if so, what are the reasons and justifications thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) Fiscal deficit which indicates total net borrowing requirement of the Government from all sources is placed at Rs. 64010 crore in 1995-96 (RE). The interest payments in the current year are estimated at Rs. 52,000 crore. The interest liability is towards the total outstanding debt incurred in the past whereas additional debt raised in a particular year is for meeting the gap between total expenditure and non-debt receipts.

Corrective Measures to Improve Economy

1161. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news report published in 'Hindustan Times' of 6th January, 1996 under the heading "Economy sharing signs of recession";

(b) if so, whether causes for such recession have been indentified; and

(c) the details of corrective measures being taken to improve the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) Yes, Sir.

(b) and (c) Contrary to the analysis contained in the news report, the Indian economy has exhibited signs of robust growth during 1995-96. The overall economic growth which accelerated to 6.3 per cent in 1994-95 is projected to be 6.2 per cent in 1995-96. The overall industrial growth as indicated by the Index of Industrial Production was 12 per cent during April—September 1995 as against 8.8 per cent in April—September 1994. The core infrastructure sectors have also kept their general uptrend in 1995-96. Electricity, coal, saleable steel, cement, crude oil and petroleum products with a combined weight of 28.8 per cent in the Index of Industrial Production registered a growth rate of 8.4 per cent in April—December 1995 compared with 8.3 per cent in April—December 1994. The financial assistance disbursed by the AIIB to Indian financial institutions has grown from Rs. 23478 crore during April—January 1994-95 to Rs. 26588 crore during April—January 1995-96.

Setting up of North-East Financial Development Corporation

1162. SHRI TARA CHARAN MAJUMDAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government had proposed to set up a Development Bank with

capital of Rs. 5000 crore for development of North-Eastern Region;

(b) if so, the details thereof;

(c) whether it is a fact that instead of Development Bank some North-East Financial Development Corporation with capital of Rs. 100 crore has been set up;

(d) if so, the details thereof with reasons for such change;

(e) whether some terms of reference and detailed functions for this Corporation have been specified; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) to (d) A Development Bank named as North Eastern Development Finance Corporation (NEDFi) has been registered with the Registrar of Companies, Shillong with its registered office at Guwahati. NEDFi's authorised share capital is Rs. 500 crores and it would have a subscribed capital of Rs. 100 crores.

(e) and (f) The functions of NEDFi *inter-alia* include identifying and developing entrepreneurship and finance the establishment of new industrial and infrastructure projects as well as expansion, diversification and modernisation of existing industrial enterprises in the North Eastern Region. NEDFi would also provide venture capital to encourage commercialisation of new and innovative goods and processes developed in the established research laboratories etc. and which are relevant to the economy of the region.

Evasion of customs duty by Reliance Industries

1163. SMT. KAMLA SINHA:
DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a case of evasion of customs duty to the extent of

Rs. 180 crores against Reliance Industries has been pending adjudication for over five years;

(b) if so, the reasons for delay in adjudication proceedings; and

(c) by when the case is likely to be decided?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. A show cause notice was issued to M/s Reliance Industries Ltd. for evasion of customs duty of about Rs. 174 crores in import of a PTA Plant on 11.5.1990 by Commissioner, Customs, Bombay.

(b) and (c) Requirements of sifting through voluminous documents and their examination by both sides has taken time. The Government has engaged Additional Solicitor General of India for presenting its case. Personal hearings were granted on day-to-day basis including hearings in Delhi on 30.9.1995 and 1.10.1995. Submission and arguments by M/s Reliance Industries Ltd. has since been conceded. The Additional Solicitor General has made his submission on behalf of the Government on day-to-day basis. Further hearings have been fixed for 13th, 14th and 15th March, 1996. The case is now at final stages of hearing and is likely to be finalised shortly.

Transfer of Foreign Exchange Outside the Country

1164. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have identified the banks and financial institutions responsible for unscrupulously transferring foreign exchange outside the country;

(b) if so, the details thereof;

(c) the action initiated against such banks; and

(d) the directions issued to such banks to stop such practice in future?