

Collector of Customs/Central Excise for at least 3 years. The President is appointed from amongst Judicial/ Technical Members. In accordance with Section 245B(3) of the Income tax Act, 1961, the Chairman, Vice-Chairman and Members, of the Settlement Commission are appointed from amongst persons of integrity and outstanding ability having special knowledge of and experience in problems relating to direct taxes and business accounts.

(f) In CEGAT there are 3 vacancies of Judicial Members since 1989, 1990 and 1992 respectively. After two unsuccessful attempts to fill up these posts another attempt has been made by issue of advertisement on the 4th March, 1995. Filling up of these posts is likely to take some time; There is only one vacancy of Member in the Settlement Commission since February, 1995 which is likely to be filled up shortly.

(g) Apart from monitoring of pendency in these tribunals through meetings at regular intervals, steps are being taken to fill up existing vacancies and to provide infrastructure facilities and stenographic support.

#### **Closure PSUs by BIFR**

1141. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the BIFR in the past these months has ordered closure of some Public Sector Undertakings of Central Government;

(b) whether Government could not support any revival scheme before the BIFR and

(c) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE

(SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The Board for Industrial and Financial Reconstruction (BIFR) has reported that it has recommended the following two Central Public Sector Undertakings (PSUs) to the High Court for winding up during the past three months.

1. Cawnpore Textiles Limited.

2. Tannery and Footwear Corporation of India Limited.

In the above cases, the BIFR came to the conclusion that these sick industrial companies were not likely to make their net worth exceed the accumulated losses within a reasonable time while meeting all their financial obligations and as a result the companies were not likely to become viable in future and therefore it was just and equitable that the companies should be wound up.

#### **Protection Of Indian Industry**

1142. SHRI K. R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are serious about protecting Indian Industry against foreign MNC assaults as claimed vide "The Pioneer" dated the 13th March, 1995;

(b) if so, whether it is a fact that the Hewlett Packard is busy taking over Blue Star, UK based BAT industries taking over Indian Tobacco Company and Coca Cola taking over Parle;

(c) the reasons for which the Hindustan Aeronautics Limited's Pencil-lin-G facility is to be leased out to MAX GB (as reported in the Pioneer, dated the 23rd July, 1994); and

(d) whether the AT&T is planning to take over Cable TV etc?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE

(SHRI M. V. CHANDRASEKARA MURTHY); (a), (b) and (d) In an economy in which cross border capital inflows are allowed, the management structure and shareholding pattern of individual companies are determined by the shareholders subject to SEBI's (Substantial Acquisition of Shares and Takeover) regulations 1994. Further the acquisition of equity of Indian companies on a preferential basis is subject to SEBI's guidelines of 4th August, 1994, which stipulate a 5 year lock-in period plus a market based pricing formula. The New Industrial Policy of July, 1991, recognised foreign direct investment as an important instrument of technology transfer and industrial development leading to growth in income and employment.

(c) There is no proposal to lease out the Penicillin-G facilities of Hindustan Antibiotics Limited (HAL) to MAX-GB Ltd. The proposal is for upgradation of the technology of the Penicillin-G plant of HAL through a joint venture between HAL and MAX-GB Limited, in which HAL will have 50 per cent equity share and the Pen. G. facilities will be leased out to this joint venture.

**Impact of increasing money supply on inflation**

1143. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state;

(a) what has been the impact of increasing money supply on inflation during the last three years;

(b) whether the financial sector reforms have brought about significant development as discernible by the masses; and

(c) whether after passing the Recovery of Dots due to Banks and FIs the banks and FIs have been strengthened?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Growth in money

supply declined from 19.3 per cent in 1991-92 to 15.7 per cent in 1992-93 but again rose to 18.2 per cent in 1990-94. Rate of inflation as measured by annual percentage change in wholesale price index number declined from 13.6 per cent in 1991-92 to 7 per cent in 1992-93 but picked up again to 10.8 per cent at the end of 1993-94. However, it is difficult to establish a one to one correspondence between growth in money supply and inflation. The general supply constraints, output shortfalls and administered price increases are among other, important factors responsible for inflation.

(b) The financial sector reforms which aim at increasing the allocative efficiency and competitiveness of the financial system are expected to strengthen the financial institutions and improve customers' service by them and ultimately benefit the people as savers and users of funds.

(c) Special Debt Recovery Tribunals have been set up under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. These tribunals are to adjudicate expeditiously the loan recovery cases of the banks and financial institutions. New prudential norms have made banks and financial institutions more prudent and accountable than ever before with regard to recovery of bad debts. The recovery performance was also one of the important performance obligations laid down for the release of funds by the Government augment the capital base of the public sector banks.

**Permission to MNCs to invest in INDIA**

1144. SHRI S. S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that, besides foreign banking companies, several multinational financial corporations have also been allowed to do business in India;