

**SHRI INDER KUMAR GUJRAL:** About over-billing, may I suggest to him for consideration whether he can take a decision that a consumer by paying something extra can have a parallel meter installed at his own residence? In that case it will be possible to keep a check. This is done in several parts of the world. I would urge you to please look into this because in that case every consumer will know the number of calls being registered at the meter. Unless you do that, you will not be able to stop the misuse of the meters.

**SHRI SUKH RAM:** I will have this proposal examined.

**MR. CHAIRMAN:** Next question.

#### Decontrol of Cotton Export

\*24. **SHRI RAJUBHAI A. PARMAR:**  
**SHRI P. UPENDRA:** †

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have taken any decision to decontrol cotton exports;

(b) whether textile manufacturers in the country have expressed their opposition to this decision; and

(c) what steps Government are taking to safeguard the interests of the domestic textile manufacturers?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY):** (a) to (c) A statement is laid on the Table of the House.

#### Statement

(a) No, Sir.

(b) Yes, Sir.

(c) The Government has been maintaining a cautious policy on exports, striking a careful balance between the interests of the cotton farmers on the

one hand and the handloom weavers on the other. A close watch is also kept on the general cotton situation and the movement in cotton prices in determining the need, quantity and timing of releases of cotton for exports.

**SHRI P. UPENDRA:** I have no quarrel with the Minister when he says that he is maintaining a cautious policy on exports, keeping in view the interests of the farmers and the textile manufacturers including the handloom weavers. My complaint is that only an ad hoc policy is being adopted every year. As a result, both farmers and textile manufacturers are suffering. The benefits of higher prices is not going to the farmers and the middlemen are cornering it whereas the handloom weavers, the powerloom weaver, and the textile manufacturers are worried about regular supply of cotton. Will the Minister adopt a policy by which he can decide the total anticipated production during the season or immediately after the arrival of the season so that we can decide as to what is going to be the domestic requirement of cotton for various sectors and then decide as to what is the balance left which can be exported? If this policy is adopted, it will help the farmers as well as the textile manufacturers. Our textile exports are going up everyday bringing valuable foreign exchange to the tune of thousands of crores of rupees. Similarly, we should not be short-sighted in exporting our cotton in a hurry. The farmers will be benefited at any rate even if the domestic consumption increases. Therefore, he should decide the export policy cautiously. Will the Minister adopt this policy of deciding the exportable surplus first and then giving quotas for exports?

**श्री जी० वेंकटस्वामी :** आन्तरिक माँस्टर ने जो क्वेश्चन पूछा वह बहुत ही महत्वपूर्ण क्वेश्चन है। एक टेडर की लॉबी हमारे देश में चल रही है, ग्रीन्स के नाम पर काँटन का एक्सपोर्ट करने

†The question was actually asked on the floor of the House by Shri P. Upendra

के लिए। इस बारे में पेपरों में काफी आर्टिकल भी आ रहे हैं, एक काफी बड़ा मूवमेंट चल रहा है। हमारी टेक्सटाइल मिनिस्ट्री इस बात को देख रही है कि इस देश के ग्राहकों को अच्छी तरह से उसके प्राइस मिले और साथ ही साथ देश के हैंडलूम वीवर्स को, स्पीनिंग मिलों को आसानी से सही रेट पर कॉटन मिले ताकि स्पीनिंग मिलें अच्छी तरह से चल सकें और हैंडलूम वीवर्स के हैक-यार्न के रेट न बढ़ें इन दोनों में हम बैलेंस करते आ रहे हैं। यह बात सही है कि एक्सपोर्ट करने से ज्यादा पैसा ग्राहकों को मिलता है। मैं मानता हूँ केबिनेट का डिसीशन भी है। जैसे ही कॉटन का सीजन आता है, अक्टूबर, नवम्बर का महीना आता है तो पांच लाख बेल का एक्सपोर्ट करते हैं और इससे कॉटन ग्राहकों को काफी अच्छे रेट मिल जाते हैं। हमारे देश की टोटल प्रोडक्शन 132 लाख बेल की है। इसके अंदर 112 लाख बेल जो हैंडलूम वीवर्स हैं, स्पीनिंग मिल्स हैं, टेक्सटाइल मिल हैं, पावरलूम हैं उनके लिए है, इतनी कंजम्पशन है। इन सब को देने के बाद बच जाता है तकरीबन 27 लाख बेल। हर महीने 9 लाख बेल की जरूरत पड़ती है। इस लिहाज से इसको बैलेंस करते हुए कि कॉटन के रेट न बढ़ें और ग्राहकों को अच्छे रेट मिले इस तरह की कोशिश हमारी गवर्नमेंट कर रही है। ऐसे वक्त में आनरेबल मेम्बर को बताना चाहता हूँ कि गुजरात साल में 132 लाख बेल की प्रोडक्शन हुई जिसमें हमारे ग्राहकों की जो कंजम्पशन है उसको निकालने के बाद हमारे पास बचता है 25 लाख बेल। तकरीबन 30 लाख और उसके ऊपर प्रेशर पड़ता है ग्राहकों की तरफ से तो हमने हिस्ट्री में फर्स्ट टाइम 18 लाख बेल के एक्सपोर्ट के लिए परमिशन दी है और इस से ज्यादा आज तक देश में नहीं हुआ। मैं आनरेबल मेम्बर को मालूम कराना चाहता हूँ कि डी-कंट्रोल अगर हुआ तो देश में सबसे बड़ा नुकसान हैंडलूम वीवर्स का होगा, टेक्सटाइल मिनिस्ट्री का होगा। टेक्सटाइल

मिनिस्ट्री एक्सपोर्ट के अंदर 90 हजार करोड़ रुपये का एक्सपोर्ट कर रही है। यह कॉटन टेक्सटाइल मिनिस्ट्री की तरफ से हो रहा है। मेरा कहना है कि इसमें बहुत बड़ी बाधा आयेगी।

SHRI P. UPENDRA: Sir, I am more or less satisfied with the hon. Minister's answer.

MR. CHAIRMAN: Thank you.

AN HON. MEMBER: Sentiment is working.

SHRI P. UPENDRA: But the only point is, 70 per cent of the cotton crop is dependent on rains and there is no certainty about the crop. Last season, the textile industry suffered a lot because of non-availability of cotton. Therefore, what about the buffer stock for the industry? You should have some buffer stock because there may be a crisis next year and the crops may fail. Will the Government keep this in view while deciding the exportable surplus?

श्री जी० वेंकटस्वामी : 25 लाख बेल को हमने रखा है जो 27 लाख रहना चाहिए था। आज 9 लाख पर मंथ के हिसाब से हमने बफर स्टॉक रखते हुए एक्सपोर्ट की परमिशन दी है।

SHRI CHIMANBHAI MEHTA: Sir, I am happy that the hon. Minister has clarified the attitude of the Government. The latest figures—1992—show that cotton exports brought only Rs. 1,000 crores to India, while value-added cotton exports brought Rs. 15,000 crores of foreign exchange. Therefore, we have to consider whether cotton decontrol is better, or, allowing export of garments, yarn and other fabrics is better. The point is, Pakistan and China, who are also exporting cotton and garments, keep the stocks for at least 7 to 8 months for their domestic consumption while in our country we are having stocks for only three months. That means, the stocks are quite negligible and sometimes

you may have to import cotton. Therefore, will the hon. Minister clarify regarding my question that...

MR. CHAIRMAN: Sorry, Question Hour is over.

## WRITTEN ANSWERS TO QUESTIONS

### Recommendations of Rangarajan Committee

\*25. SHRI SANGH PRIYA  
GAUTAM:  
SHRI O. RAJGOPAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have accepted the recommendations of the Rangarajan Committee on public sector disinvestment;

(b) if so, what are the details of the main recommendations of the committee; and

(c) what steps Government have taken to implement those recommendations?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED):

(a) to (c) The Report of the Rangarajan Committee on Disinvestment of Shares in Public Sector Enterprises was received by Government of India on 20th April, 1993. The recommendations of the Committee relate to several aspects of disinvestment policy including limits of equity to be disinvested, criteria for valuation of shares, preparatory steps and *modus operandi* of disinvestment. The major recommendations are listed in the enclosed statement. (see below) The Report of the Committee is under examination of the Government.

### Statement

#### Summary of the major recommendations of Rangarajan Committee on disinvestment of shares in PSEs

##### A. Limits of equity to be disinvested

The Committee has recommended the target levels of Government ownership in respect of all units reserved the public sector should be 51 per cent to enable control over management. target level of 26 per cent of public ownership could be considered in exceptional cases. There should be special reasons for continued Government ownership of enterprises not reserved for public sector. In general, the percentage of equity to be disinvested should be under 49 per cent in industries reserved for public sector and over 74 per cent in other cases.

##### B. Criteria for valuation of shares

Among the three criteria viz. net asset value, profit earning capacity and discontinued cash flow value, discontinued cash flow has the greatest relevance, though it is the most difficult to operationalise. Each company will need to be studied carefully with help of a merchant banking firm taking into account factors such as value of assets, its market share, potential profit earning capacity and the prevailing price in the market for shares of similar enterprises in the private sector.

##### C. Preparatory Steps

The preparatory steps recommended by the Committee include conversion to company form, wherever necessary, deciding the desirable level of equity and restructuring the financials with proper debt/equity gearing, assessing on-going plan of PSEs and examining the scope of issuing convertible bonds as a measure of resource mobilisation in PSEs.

##### D. Modus operandi of disinvestment

The Committee has recommended that once a reasonable market price is established