

Slow tempo of Development in States

663. SHRIMATI SUDHA VIJAY
JOSHI:

SHRI KALPNATH RAI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the tempo of development in some of the States has been much slower than targeted for in the last two years;

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

(c) what steps Government propose to take in this regard and whether any special assistance was given to step up the developmental activities in these States?

THE MINISTER OF STATE IN THE DEPARTMENT OF PLANNING (SHRI SUKH RAM): (a) to (c) The total approved Annual Plan outlay of all the States taken together recorded an increase of 6.8 per cent in the year 1985-86 over the previous year, the corresponding figure for the year 1986-87 being 21 per cent. The total estimated State Plan expenditure of all States for the Annual Plan 1985-86 has also been higher than the targetted amount as reflected in the total approved State Plan outlay. The indications are that the total State Plan expenditure of all States in 1986-87 would also be more or less to the targetted amount as reflected in the total approved State Plan outlay.

As regards individual States also, there were significant shortfalls in estimated expenditure as against the approved Annual Plan 1985-86 outlay only in the case of two States, namely, Haryana and Madhya Pradesh. The indications are that in the year 1986-87 the total state Plan expenditure in even these two States would be almost equal to the targetted amounts as reflected in the total approved State Plan outlays in the year 1986-87. No special measures are thus needed for stepping up developmental activities in these States.

Reduction in the strength of Armed Forces

664. SHRI SURESH KALMADI: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government propose to reduce the strength of armed forces over the next ten years;

(b) whether Government are also considering any proposal for national service conscription for a duration of two to three years for students and youths; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE RESEARCH AND DEVELOPMENT IN THE MINISTRY OF DEFENCE (SHRI ARUN SINGH): (a) Force levels are reviewed periodically keeping in view the security environment in the region, acquisition of weapon systems by our potential adversaries and technological developments in weapon systems.

(b) No, Sir.

(c) Not applicable.

Finance of large Public Limited Companies

665. SHRI J. P. GOYAL: Will the PRIME MINISTER be pleased to state:

(a) whether the Company Finance Division of the Reserve Bank of India has pointed out in their study titled 'Finances of large, Public Limited Companies' that large public limited companies each with a paid up capital of over Rs. 1 crore had caused the country a drain of foreign exchange amounting over Rs. 600 crores due to their expenditure in foreign currencies outbeating their earnings on this front;

(b) if so, what are the details in this regard, including the names of the large public limited companies involved; and

(c) what is the reaction of Government in regard thereto and what corrective steps are proposed to be taken in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTRY OF FINANCE (SHRI BRAHM DUTT): (a) and (b) Yes, Sir. The Reserve Bank of India study pertains to 541 Non-Government Non-Financial Public Limited Companies, each with a paid-up capital of Rupees One crore and above, which closed their accounts during the period April, 1985 to March, 1986. Out of the 541 large Public limited companies, 373 companies reported earnings in foreign exchange of Rs. 1779 crores in 1985-86. The growth in foreign exchange earnings worked out to 6.9 per cent in 1985-86. As regards the total expenditure of the companies in foreign exchange, 504 companies reported such expenditure. The expenditure in foreign currency was Rs. 2439.2 crores in 1985-86 recording a rise of 35.4 per cent in 1985-86. The expenditure in foreign currency was therefore more than the earnings in foreign currency by Rs. 660.2 crores in 1985-86.

Companies belonging to tea plantations, tobacco and trading were among those industries/industry groups in whose cases exports exceeded imports. On the other hand, the prominent industries/industry groups whose imports exceeded exports were cotton textiles, motor vehicles, electrical machinery, apparatus, appliances, etc. and basic industrial chemicals.

(c) Government has initiated several measures for export promotion which will also have a direct bearing on exports of large public limited companies. The effort has been ensure that in the growth sectors capacities are generated, capital goods and equipment is available for up-grading technologies, raw materials are available at international prices and easier access provided for such materials and components as have to be imported and to ensure that exports become profitable. Government has identified thrust areas of export potential and specific action plans for each area are being introduced. A decision has also been taken recently to the effect that Industrial Development Bank of India would give a rebate of 20 per cent on the interest on their loans in favour of industrial concerns who effect a

minimum export of 25 per cent of their total sales.

Corruption and misconduct of Officers of Bank and Insurance Companies

666. SHRI J. P. GOYAL:

SHRI HARVENDRA SINGH
HANSPAL:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware of the growing corruption and misconduct of officers of banks and insurance companies;

(b) whether it is a fact that the Central Vigilance Commission has recently suggested that a special criminal law should be enacted for bank and insurance offences;

(c) if so, what are the details of the suggestion made by the Central Vigilance Commission in this regard; and

(d) what is the reaction of the Government in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Available data does not indicate any significant change in the extent of corruption and misconduct of officers in Banks and Insurance companies.

(b) to (d) The Central Vigilance Commission, while dealing with cases relating to frauds in banks and insurance companies, has observed that it would be worthwhile considering amendment in the law, including provision for confiscation of ill-gotten wealth and special courts, to enable such offences to be looked into and adequately punished. The suggestions of the Commission are being examined in consultation with Reserve Bank of India.

Agreement with GE of USA for the supply of engines for LCA

667. SHRI MAHENDRA PRASAD:

Will the Minister of DEFENCE be pleased to refer to answer to Unstarred Question 1966 given in the Rajya Sabha on the 12th March 1987 and state:

(a) what are the details of the contract entered into with M/s. General Electric.