

preparing India's export strategy for the top 15 thrust markets. The average tariff rates in most of these markets range between 5% to 20%. Non-tariff restrictions in these markets include textiles quotas, anti-dumping and countervailing duties, strict standards relating to health and environment etc. In one of the markets some items are banned on religious grounds.

(e) India's exports during 1993-94, 1994-95 and April- December 1995-96 have grown by 20.0%, 18.4% and 24.2% respectively in dollar terms over the corresponding periods of the previous years. Most of the trade restrictions based on health and safety standards etc. are consistent with the relevant GATT/WTO Agreements. In case of any inconsistency or discrimination, India has a right to approach the WTO dispute settlement mechanism for redressal.

Income Tax Exemption to Nagas

445. SHRI SOMJIBHAI DAMOR : Will the Minister of FINANCE be pleased to state :

(a) the scope, nature and limit of Income-tax exemption applicable to Nagas and scheduled tribes on income from business;

(b) whether Naga Businessmen carrying out business through their branches in other parts of the country are liable to pay income-tax though the principal place of their business remains in Nagaland and the activities of their branches outside Nagaland are only supplementing to the principal business carried out in Nagaland; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Under section 10(26) of the Income-tax Act, 1961, income of Scheduled Tribes as defined in clause 25 of Article 366 of the Constitution, residing in any area specified in Part-I or Part-II of the Table appended to paragraph-20 of the Sixth Schedule to the Constitution or in the estates of Arunachal Pradesh, Manipur, Mizoram, Nagal and Tripura or in the areas covered by Notification No TAD/R/35/50/109 dated the 23-02-1951, issued by the Governor of Assam under the Proviso to sub-clause (3) of the said paragraph-20 as it stood immediately before the commencement of the North-Eastern Area (Reorganisation) Act, 1971 (18 of 1971), is exempt if the source of such income is in these areas. This section does not prescribe any limit for exempting income.

(b) Business income attributable to the branches outside areas mentioned in Part (a) is not exempted u/s 10(26) of the Income-tax Act, 1961, even though the principal place of business may be Nagaland.

(c) Information relating to branches of Naga businessmen outside Nagaland is neither maintained nor is available.

Export of Textiles

446. SHRIMATI VASUNDHARA RAJE : Will the Minister of TEXTILES be pleased to state :

(a) the target set for export of textile during the year 1995-96 and achievement made as on date; and

(b) the efforts made by the Government to increase the export of textiles during the year 1996-97?

THE MINISTER OF LABOUR AND MINISTER OF TEXTILES (SHRI G.VENKAT SWAMY) : (a) A target of US dollar 10,500 million has been fixed for exports of textiles (including Handicrafts, Jute and Coir) during 1995-96. The achievement from April '95 to December '95 has been US \$ 7724.06 million.

(b) in order to step up the exports of textiles and clothing, Government have been taking a number of steps, which include encouraging exporters to participate in buyer-seller meets, fairs and exhibitions; enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export production; ensuring increased availability of export credit etc. In addition, Government have also revamped the Garment Export Entitlement (Quota) Policy for 1996-98. The revised policy is expected to boost clothing exports.

Vacant Posts of CMD in Banks/Insurance Companies

447. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state :

(a) the details of nationalised banks and insurance corporations which have no Chairmen/Managing Directors for the last more than six months;

(b) the reasons therefor; and

(c) the steps taken or proposed to be taken to fill up such high ranking posts in anticipation of retirement or transfer of these personnel ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) to (c) The post of Chairman & Managing Director lying vacant in nationalised bank/insurance corporation for more than six months are given below :-

Sl.No.	Name of the Bank/Insurance Corporation
1.	Chairman & Managing Director, Indian Overseas Bank
2.	Chairman, General Insurance Corporation of India

Necessary steps for filling up these vacancies have been initiated.

Working Group on "Expenditure Policy"

448. SHRI PARAS RAM BHARADWAJ :
SHRI SANAT KUMAR MANDAL

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have set up a Working

Group on Expenditure Policy for the Ninth Five-Year Plan under the Chairman-Ship of Expenditure Secretary;

(b) if so, the details regarding composition and functions of this Group; and

(c) the time by which its report is likely to be submitted ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) :
(a) Yes, Sir.

(b) and (c) The details regarding composition, functions and the time schedule for admission of the report of the Working Group are given in the enclosed statement.

STATEMENT

No.3/2/95-FR
Government of India
Planning Commission
(Financial Resources Division)

Yojana Bhavan,
Sansad Marg,
New Delhi-110001.
dated : the 2nd Jan, 1996

OFFICE MEMORANDUM

Subject : Setting up of a Working Group on Expenditure Policy.

In continuation of this office Order of even number dated September 22, 1995 regarding the setting up of a Steering Group on Financial Resources for the Ninth Five Year Plan, it has been decided to constitute a Working Group on Expenditure Policy under it.

2. The composition of the Working Group is as follows:

- | | |
|---|----------|
| 1. Secretary,
Department of Expenditure,
Ministry of Finance,
New Delhi. | Chairman |
| 2. Dr. Amaresh Bagchee,
Professor Emeritus,
National Institute of
Public Finance & Policy,
New Delhi. | Member |
| 3. Dr. Arvind Virmani
Economic Adviser (PP)
Department of Economic
Affairs, New Delhi. | Member |
| 4. Dr. Pulin B. Nayak,
Economic Adviser (DP)
Planning Commission. | Member |
| 5. Dr. S. Guhan,
MIDS,
Madras-600020. | Member |

6. Dr. K.K.George,
Cochin University,
Cochin. Member

7. A representative from NIPFP,
(To be nominated by Director, NIPFP) Member

8. A representative from RBI,
(To be nominated by RBI) Member

9. Dr. D. Subba Rao,
Secretary,
Finance Department
Government of Andhra Pradesh
Hyderabad. Member

10. Shri Ashok Gupta,
Secretary,
Finance Department,
Government of West Bengal,
Calcutta. Member

11. Dr. (Mrs.) Renu S. Parmar, Deputy Adviser, Planning Commission.	} Co-Convenors
12. A representative from Deptt. of Expenditure. (to be nominated by the Chairman)	

3. The terms of Reference of the Working Group shall be as under :

To study the expected medium-term outcome on current and capital expenditures; to identify the principal determinants of expenditure on the larger spending programs over this period; and to classify by object code and by program and subprogram, the main longer-term policy, demand and cost variables which will determine future levels and patterns of expenditure. The following aspects should be reviewed in depth :

(1) Prospects over the Ninth Plan period in current and capital expenditures and Plan and non-Plan expenditures.

(2) Within these aggregates, the prospects by program (Ministry/Department) and by object code (including subsidies, expenditure on government employees, interest payments, etc.

(3) Planned capital expenditures by program already approved and committed Plan schemes.

(4) For the largest subprograms in each Department, the principal short-medium-term expenditure-volume, unit costs, policy variables, other charges, etc.; also categorize these by object code.

(5) For each of these subprograms, the long-term variables which will determine future levels of spending; this will include demand variables, average, and marginal costs, policy variables (including user charges), and assumptions about key economic factors-inflation, wages, exchange rate.

(6) Identify resource constraints which may prevent the achievement of desired program levels in aggregate.

(7) In the light of 3-5 above, the range of expenditure outcomes can be identified and the need, scope for and targeting of expenditure reductions by program reduction (in size or scope), by deferment (in time), by cancellations.

(8) Examine optional/alternate methods of achieving desired policy goals.

(9) Set priority levels for major programs (and components) particularly with regard to 7 above.

4. The expenses towards TA/DA of the official Members shall be made by their respective offices. The TA/DA of non-official Members, as admissible to Grade-I Officers to the Government of India will be paid by the Government. All non-official Members will be entitled to air journey as admissible to Senior Administrative Grade Officers of the Government of India. The Working Group may submit its interim Report by March, 1996 and final Report by June, 1996.

(G.S. Randhawa)

Deputy Secretary of the Govt. of India

To

The Chairman and all Members of the Working Group.

Copy to :

The Chairman and all Members of the Steering Group on Financial Resources for the Ninth Five Year Plan.

Copy for information to :

1. P.M. Office, South Block, New Delhi.
2. OSD to Deputy Chairman, Planning Commission.
3. PS to MOS, Planning & Programme Implementation, Yojana Bhawan, New Delhi.
4. PS to Member (FR), Planning Commission.
5. PPS to Member Secretary, Planning Commission.
6. PS to Adviser (PC), Planning Commission.
7. Director (Finance), Planning Commission.
8. Under Secretary, (Admn.III), Planning Commission.

NCAER Report on Fiscal deficit

449. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether the National Council for Applied Economic Research (INCAER) on February 7, 1996 predicted that the infrastructural constraints, liquidity problem and pressure of fiscal deficit might affect the overall economic growth rate in the current fiscal year;

(b) if so, the reaction of the Government thereon?

(c) whether any improvements suggested by NCAER in its review between July and September, 1995; and

(d) if so, the reaction of the Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) and (b) These observations are reflected in the Quarterly Review of the Economy brought out by the National Council of Applied Economic Research which was released in February, 1996. The advance estimated for the year 1995-96 released by the Department of Statistics show that gross domestic product at factor cost (at 1980-81 prices) is expected to grow at 6.2 per cent compared with growth of 6.3 per cent in 1994-95.

(c) No Sir.

(d) Does not arise.

Use of Reserve Fund of Banks

450. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) the total amount in the reserve fund created under Section 17(1) of the Banking Regulation Act, 1949 as on March 31, 1994 and March 31, 1995, bank-wise;

(b) the reason as to why this reserve fund has not been utilised to cover the losses arising from doubtful and bad debts since 1992-93; and

(c) the total amount written-off as bad and doubtful debts since April 1, 1992 upto March 31, 1995 by the public sector banks, bank-wise and year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) As reported by the Reserve Bank of India (RBI), information regarding bank-wise, amounts available in the reserve fund created under Section 17(1) of the Banking, Regulation Act, 1949 for the year 1993-94 and 1994-95 is given in the enclosed Statement-I

(b) RBI has reported that all the public sector banks have utilised the provision for bad and doubtful debts while writing off bad debts.

(c) The amounts of bad debts written off by public sector banks during 1992-93, 1993-94 and 1994-95 are given in the enclosed statement-II

STATEMENT-I

Reserve Fund Created under Section 17(1) of BR Act, 1949 as on 31.3.94 and 31.3.1995

Sl. No.	Name of the Bank	Reserve Fund Created (As on 31.3.94)	Reserve Fund Created (As on 31.3.95)
1	2	3	4
1.	Allahabad Bank	20096	20012
2.	Andhra Bank	5520	5520
3.	Bank of Baroda	60165	84195
4.	Bank of India	48865	47407
5.	Bank of Maharashtra	6440	6190