

has been sanctioned. The banks are also required to ensure that investments made by a borrower in shares, debentures of a current nature, in units of Unit Trust of India and other mutual funds and in intercorporate deposits are not financed by them. Penal measures by way of levy of additional interest/reduction in credit limits have also been suggested in cases where funds are found to have been diverted.

#### **Anti-Dumping Action Against Indian Textiles by European Union**

1278. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

(a) whether India is one of the biggest textile exporter to the European market;

(b) whether Indian companies have dumped the textiles and cotton unbleached fabrics in the European market recently;

(c) if so, whether the European Union have taken any antidumping action against India for dumping of these items;

(d) if so, the details thereof with its impact on India's textile exports; and

(e) the action taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) to (e). On the basis of a complaint from European domestic producers, the European Commission (EC) has imposed provisional anti-dumping duty ranging from 2.7% to 22.7% on imports of unbleached cotton fabrics from India for a period of six months. Imposition of anti-dumping duty is likely to adversely affect Indian exports of this item. The Government has been providing all possible assistance to the Indian exporters in the anti-dumping investigation.

#### **Export of Engineering Goods**

1279. SHRI S.D.N.R. WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) the details of engineering goods exported and the foreign exchange earned therefrom during each of the last three years, country-wise; and

(b) the steps taken by the Government to boost the export of engineering goods?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The details of engineering goods exported and foreign exchange earned during the last three years are given below :

Value : Rs. in crores  
(US Dollar Million)

Sector	1993-94	1994-95	1995-96
(i) Capital goods	2340.01 (746.09)	3094.81 (985.55)	3615.63 (1080.94)
(ii) Iron and Steel Products (incl. prime Iron and Steel)	3332.26 (1059.37)	3355.95 (1068.52)	4554.67 (1361.62)
(iii) Aluminium and Products	620.11 (197.74)	792.79 (252.47)	831.03 (248.46)
(iv) Consumer Durables	2222.80 (708.72)	2252.06 (717.22)	3093.67 (924.92)
(v) Management & Tech. Services	585.00 (186.31)	525.00 (167.20)	500.00 (150.00)
<b>Total</b>	<b>9090.18</b> <b>(2898.23)</b>	<b>10020.61</b> <b>(3190.96)</b>	<b>12595.00</b> <b>(3765.94)</b>

The top ten major importers of Indian engineering goods are USA, UAE, UK, Bangladesh, Germany, Sri Lanka, Japan, Singapore, Indonesia and Hong Kong. Country-wise details are available in the DGCI and S publication "Foreign Trade Statistics of India" in the Parliament Library.

(b) Promotion of exports of engineering goods and services has been the constant endeavour of the

Government. Measures taken to boost exports of engineering goods and services under the Export-Import Policy include Duty Exemption Scheme, Export Promotion Capital Goods Scheme, Special Import Licences, Duty Drawback Scheme and Engineering Products Export (Replenishment of Iron and Steel Intermediates) Scheme is in operation exclusively for the exporters of the Engineering goods. Market

Development Assistance is also provided to the exporters of engineering goods and services.

[Translation]

### Pending Proposals

1280. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether some financial matters of Government of National Capital Territory of Delhi are lying pending with the Union Government for some time;

(b) if so, the details thereof; and

(c) the action taken or proposed to be taken by the Union Government on the memorandums/suggestions/proposals received from the Government of National Capital Territory of Delhi?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) The financial matters taken up by the Government of NCT of Delhi with the Ministry of Finance, Government of India :

- (i) pattern of financing of Annual Plans of Government of NCT of Delhi;
- (ii) delegation of powers for creation of Group A posts under Plan and Groups A,B,C and D posts under non-Plan and also for revival of posts lapsed;
- (iii) Share in Central Taxes;
- (iv) discontinuation of diversion of Central Plan assistance and restoration of the amount already diverted;
- (v) clearance of the past liability of Rs. 132 crore of DTC or release of grant to Delhi Government of the same amount to clear such liability;
- (vi) reimbursement of a sum of Rs. 188.70 crore on account of abolition of Terminal Tax by Government of India;
- (vii) transfer of DESU without any financial liability to Delhi Government.

(c) The matters are under consideration with the Government of India.

[English]

### Excise duty on Small Paper

1281. SHRI BANWARI LAL PUROHIT : Will the Minister of FINANCE be pleased to state :

(a) whether the PHD Chamber of Commerce and Industry has urged the Government to save small paper manufacturers by restoring the excise duty benefit available till recently;

(b) if so, whether the small paper manufacturers in the country are on the verge of collapse due to excise duty imposition; and

(c) if so, the reaction of the Government on such representation by the PHD Chamber and Industry?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The PHD Chamber of Commerce and industry had requested the Government to reduce excise duty on paper, paperboard, etc. made from at least 75% unconventional raw materials, from 10% to the pre-Budget level of 5% ad-valorem on the ground that the increased duty affected the competitiveness of small paper mills.

(b) and (c). The Government, in the consideration stage of the Budget acceded partially to the demands of small paper mills and prescribed 5% ad-valorem excise duty on such paper for first clearances of 10,000 MT in a financial year. In the current financial year, the limit is prescribed at 5,000 MT to be calculated from 11th September, 1996. In view of this there may not be any hardship to small paper mills.

### Changes in Modvat Credit Scheme

1282. SHRI T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Excise Department brought a new scheme into force regarding changes in the Modvat credit;

(b) if so, the main changes incorporated in the new Modvat scheme;

(c) the extent in which the scheme has been successful;

(d) whether the Government have made changes in the procedure relating to use of inputs on which credit has been taken; and

(e) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e). Following important changes have been made in Modvat Credit Scheme in this year's budget :

- (i) As per the provisions of the Modvat scheme, a manufacturer manufacturing a fully exempted final product is not eligible to avail the credit of duty paid on inputs used therein. Prior to 1.9.96, in cases where a manufacturer manufactured both dutiable and fully exempted final product from common inputs, had to reverse the credit of duty paid on the inputs contained in the exempted final product. This involved determination of the amount of credit to be reversed which was cumbersome. As a procedural simplification a new rule 57CC has been introduced in the Modvat Rules whereby a manufacturer using