

(b) if so, the details of the last two years in this regard;

(c) the action taken so far by the Government in this regard ?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) Government constantly reviews adherence of approval holders to the terms and conditions of approval and initiates necessary action against the approval holder following due procedure in case of any violation.

[English]

#### Export Defaulters

3786. SHRI K. KRISHNAMOORTHY : Will the Minister of COMMECRE be pleased to state:

(a) whether certain exports who have defaulted in their export obligations are being permitted to file legal undertaking in lieu of Bank Guarantees for Advance Licences and EPCC licences;

(b) if so, whether it is not an indirect encouragement to such defaulting exporters;

(c) if so, whether the Government propose to insist on Bank Guarantees from these defaulters; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (d) Exporters who have not been able to complete export obligation within stipulated time period under Advance Licences and EPCG Licences have been granted an extension in export obligation period of 1-1/2 and 2 years respectively. However, such an extension shall be given only on submission of a bank guarantee covering the customs duty together with 24% simple interest in proportion to the unfulfilled export obligation.

#### Tax Structure

3787. SHRI RAMKRISHNA BABA PATIL :

SHRI TARIQ ANWAR :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received suggestions from various organisations to rationalise the various tax structure;

(b) if so, the details thereof; and

(c) the response of the Government thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Yes, Sir. A large number of pre-budget suggestions were received from various organisations for

rationalising duty/tax structure, which included raising the exemption limit, reducing the rates, and reduction in multiplicity of rates, etc.

(c) The Government have rationalised the excise duty rates into a three-tier structure with basic duty rates of 8%, 16% and 24% advalorem. The number of major advalorem Customs duty rates have been reduced from 7 to 5 in this year's Budget, with a peak rate of 40% advalorem. As regards income tax, the rates were rationalised and reduced to three slabs of 10%, 20% and 30% in 1997. Companies and firms are charged at a single rate of 35%.

#### Non-Performing Assets of ICICI

3788. SHRI V. V. RAGHAVAN : Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Credit and Investment Corporation of India has decided to write off Rs. 302 crore due to huge accumulated Non-Performing Assets of Rs. 3343 crore as on 31st December 1998; and

(b) if so, the details of the NPAs and the nature of the borrowers who are responsible for such a huge NPAs?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The information is being collected and will be laid on the Table of the House to the extent available.

#### Decline in Export from Auto Industry

3789. SHRI TARIQ ANWAR : Will the Minister of COMMERCE be pleased to state:

(a) whether the export from Indian auto industry has slumped down recently;

(b) if so, the reasons therefor; and

(c) the steps taken by Government in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) The value of exports from the Indian automobile industry consisting of Complete Vehicles and 2/3 Wheelers has come down to Rs 1000 crores during April-December 1998 (Prov.) as compared to Rs. 1380 crores during April-December 1997, registering *negative* growth rate of 27.5%. The negative trend in exports is mainly due to the economic situation in major markets like East and South East Asia and Africa, as well as the currency devaluation by competitors such as South Korea. In addition, the global recession in the automobile sector has also contributed to the negative trend of exports.

(c) There is no exclusive scheme for promotion of exports of complete vehicles and 2/3 wheelers. However, promotion of exports of these items, like other items in the Engineering Sector has been the constant endeavour of the Government. Measures being provided to boost exports of engineering goods including that of complete vehicles and