

(g) if so, the details thereof and measures taken/ being taken by the Government in this regard;

(h) whether any Experts Group has been constituted in this regard;

(i) if so, whether the said Group has submitted its report; and

(j) if so, the recommendation made by the Group and the action taken by the Government thereon so far?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) and (f) It is a fact that the steel sector has been facing a slowdown in growth during the last 2 years due to several reasons. Some of these are :-

- (i) sluggish demand in the steel consuming sectors.
- (ii) overall economic slowdown in the country.
- (iii) cost escalation in input materials for steel industry.
- (iv) continuous increase in excise duty in steel.
- (v) dumping of finished steel by CIS and other countries.
- (vi) adverse conditions in export market in steel.
- (vii) decline in domestic and international prices.

(b) After liberalisation, no production targets are fixed by Government for steel. The demand production and consumption is dependent on market forces. The production of finished (carbon) steel during 1997-98 was 23.37 million tonnes which was 2.8% higher than the previous year.

(c) to (e) and (g) to (j) Government have taken several steps to meet the demand for steel, such as modernisation and expansion of public sector steel plants, adoption of various policy measures to encourage creation of additional steel production capacities in the private sector. Indian Steel Producers have been taking continuous steps to meet the domestic requirement of steel which include upgradation of technology, improvement in productivity and yield, improvement in quality of products and adopting the product-mix to the requirements of the consumers.

In the Union Budget for 1999-2000, Government has placed special emphasis on revival of the Indian economy through several means which, inter-alia, include accelerated development of the infrastructure sector, irrigation projects, housing products and rural water supply scheme. These measures are expected to boost the demand for steel.

A working Group had been set up by Government to study the present slow down in the steel sector. The Group in its report inter-alia recommended the following measures to help the domestic steel industry :-

- (i) Rationalisation of DEPB (Duty Entitlement Pass Book) rates.
- (ii) To consider feasibility of converting *ad valorem* rate of import Duty into fixed duties on certain finished steel items.
- (iii) To consider a combination of measures comprising levy of Special Import Duty on imports of seconds and defectives alongwith raising duties for certain types of steel upto World Trade Organisation bound rates.
- (iv) To consider removal of imports of Seconds and Defectives below a specific floor prices from OGL.
- (v) To deal with cases of dumping by establishing a fast track mechanism.
- (vi) Withdrawal/waiver of Special Customs Duty of 2% +3% and Special Additional Duty of 4% on input items for the steel sector which are not available within the country.

The details of results achieved so far on the recommendations made by the Working Group which will enable the steel industry to overcome the present situation are as under:-

- (i) DEPB rates for the exports of HR coils, CR coils, GP/GC sheets, colour coated sheets have been rationalised.
- (ii) The Government has fixed floor prices for certain items of finished steel including seconds and defectives to restrict their cheap imports. As a result, domestic producers of these items have been able to reduce their losses to some extent.
- (iii) Reduction in input costs for steel sector was recommended by the Working Group. The special customs duty has been waived on several inputs such as coking coal (ash content <12 %), non-coking coal, metallurgical coke, ferro nickel, charge nickel and nickel oxide sinters, low silica limestone and graphite electrodes (>28%) in 1998-99. This has helped the domestic steel industry in bringing down the cost of inputs for iron and steel making.
- (iv) Strengthening of anti-dumping mechanism was recommended. An anti-dumping petition filed by M/s SAIL and M/s ESSAR Steel Ltd. on behalf of the domestic steel producers alleging dumping of HR coils/sheets/plates from Russia, Ukraine and Kazakhstan has been decided. The designated Authority vide their notification dated 18th November, 1998 had recommended imposition of Anti-Dumping duties on imports from Russia and Ukraine. The Anti-Dumping Duty has since been levied w.e.f. 27/11/1998.

Shortage of Staff in DRT, Bangalore

3833. SHRI A. SIDDARAJU : Will the Minister of FINANCE be pleased to state :

(a) the number of cases filed before the Debts Recovery Tribunal (DRT) Bangalore, during the last three years, till date;

(b) the number of employees including Officers working in the above Tribunal;

(c) whether due to inadequate staff, there had been delay in disposing off these cases; and

(d) if so, the steps taken by the Government to sanction additional staff immediately?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Debts Recovery Tribunal (DRT), Bangalore, has reported that during the years 1997, 1998 and 1999 (upto 31-3-1999), 2875 cases were filed before the Tribunal.

(b) to (d) At present 21 Officers/employees are in position in the DRT at Bangalore. Initially, 19 posts (including Officers) were sanctioned by the Government. However, after review of the work load by the Government, 10 additional posts were sanctioned for each Tribunal including DRT Bangalore during 1997-98.

Import of Obsolete Machinery

3834. SHRI ABHAYSINH S. BHONSLE :

SHRI A. VENKATESH NAIK :

Will the Minister of COMMERCE be pleased to state :

(a) whether incidence of import of outdated and obsolete second hand machines has increased sharply in the recent times;

(b) if so, the conditions/rules being followed presently for making import of second hand machines;

(c) whether present rules have no stipulation about the age of the imported second hand machines;

(d) if so, the reasons therefor;

(e) whether Confederation of Indian Industry has suggested for restrictions on import of second hand machines; and

(f) if so, the details thereof and the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (f) Although no separate statistics are maintained for import of second hand Capital goods there have been reports of such goods being imported in various sectors. The CII has also suggested that such imports should be restricted. Keeping in view these suggestions as also the need for modernisation and upgradation of the domestic industry, the Government has decided to restrict the import of secondhand Capital goods with effect from 31.03.99.

Financial Aids to Investors Association

3835. SHRI JAGAT VIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

the amount of financial aid or reimbursement given to the Investors Associations by National Stock Exchange, Bombay Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange and Uttar Pradesh Stock Exchange during 1994-95 to 1997-98 with year-wise break up?

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

[Translation]

Loan Through LIC

3836. DR. LAXMINARAYAN PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether Life Insurance Corporation is providing loans to various state Governments according to the plan of the Centre for implementation of water supply and disposal of sewage schemes in different towns;

(b) whether amount to be received becomes less than 50 percent on the basis and method on which loan has to be given; and

(c) if so, the steps taken by the Government to provide full amount of loans so that projects can be completed?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) LIC has reported that they sanction loans for financing water supply and sewerage schemes depending upon the cost of the schemes. On the basis of the allocation by the Planning Commission, the State Governments/State level Water Authorities submit their proposals to LIC for sanction of loan. According to the graded pattern LIC grants loans to the extent of 67% to 50% depending on the cost of Schemes. In the case of Rural Water Supply Schemes LIC grants loan up to a maximum of 50% of the cost and the balance cost is generally met out of State Government grants. LIC's pattern of financing such schemes is adopted with a view to fund a large number of schemes. LIC also provides loans to cover the escalation in the original estimated cost of the schemes to the extent upto 25% of the difference between the original and revised estimated cost.

Investment in Infrastructure Projects

3837. SHRI DAROGA PRASAD SAROJ :

SHRI MOHAMMAD ALI ASHRAF FATMI:

Will the Minister of FINANCE be pleased to state:

(a) whether the export group related to commercialisation has emphasised over the need of heavy investment in the infrastructure sector;